FBIS DAILY REPORT

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BLOC TU CHAIRMEN HAIL GENEVA, URGE PEACE EFFORTS

AU192127 East Berlin NEUES DEUTSCHLAND in German 26 Dec 85 pp 1-2

[Text] Berlin (ADN) -- The chairmen of the Trade Union central bodies of the socialist countries in Europe met in Berlin on Saturday [14 December] for a discussion which was also attended by WFTU General Secretary Ibrahim Zakaria.

Trade Union chairmen from the People's Republic of Bulgaria, the GDR, the PPR, the SR of Romania, the CSSR, the Hungarian People's Republic, and the USSR discussed questions of further deepening cooperation between the trade unions of socialist countries in connection with the preparations for the 11th WFTU Congress to be held in Berlin in September 1986. The central issue was the need for intensified trade union activities in the struggle to preserve and safeguard peace.

The participants adopted a joint declaration which reads as follows:

"We, the chairmen of the trade unions of the People's Republic of Bulgaria, the CSSR, the GDR, the PPR, the SR of Romania, the Hungarian People's Republic, and the USSR, declare:

"We have noted with satisfaction the results of the Geneva meeting of the leading representatives of the USSR and the United States. It was undoubtedly an important event in the life of the peoples. Its results give rise to hopes for positive changes in the international situation, and inspire all forces of peace, primarily the working people and their trade union organizations, to intensify the struggle to achieve effective agreements aimed at preventing the arms race in space and halting it on earth, at limiting and reducing nuclear arms, and ultimately eliminating nuclear arms altogether. Peace has been given a chance, and this chance must be used.

"In view of the danger of a general devastating thermonuclear catastrophe there is no other way but to learn to live in peace. Being realists we cannot overlook, however, the fact that the international situation continues to be tense. The existence of human civilization is endangered. We are deeply worried about the fate of our continent. The arms race is on the threshold of further escalation and the effects are hardly calculable. The danger of armament mania spreading to space would destabilize the entire strategic situation and turn outer space into a new source of deadly danger to mankind. We want the principles of peaceful coexistence to become the basis of the life of states and peoples together. The scourge of war must be forever banished from the life of man. Peace is our common aim. The struggle against the threat of war is our joint task. Today, much depends on our joint endeavors, on our activity and cohesion.

"We welcome the fact that today trade unions with different political orientations and international affiliations in east and west, in north and south are making their dedicated contribution to the struggle for peace. The realization is growing: He who wants social security must struggle for peace. We can and must be united by determination: [following slogans as published]

"--Put an end to the arms race; reduction of the military budgets, and use of the funds thus released in the interest of the peoples;

" -- Halt the deployment of U.S. intermediate-range missiles in Europe; withdrawal of all nuclear weapons deployed in Europe; for a Europe free of nuclear and chemical weapons;

" -- Put an end to the strategy of 'star wars'; outer space must not become the front court of hell; the findings of science and technology should serve mankind exclusively, and happiness and welfare.

" -- We declare anew our adherence to the decisions of the fourth European Trade Union Conference to seek to make the European Continent completely free of nuclear weapons.

"The trade unions and the working people make an important contribution toward implementing these goals that are vital for all peoples. We trade unionists know: The arms race brings neither peace nor work; it exacerbates all the shortcomings of the capitalist world; it is one of the decisive causes for cutbacks in social benefits, for the reduction of trade union rights and freedoms. We firmly cling to our positions on questions of the struggle for peace and disarmament. These positions were laid down in the joint documents adopted in September 1983 in Berlin, and in January 1984 in Prague. We stand firmly behind the declaration of the Political Consultative Committee of the Warsaw Pact states of October of this year in Sofia: 'for the elimination of the nuclear threat, for a turn for the better in Europe and in the world.'

"In our era there is no more important task than to ward off the threat of a new world war, to prevent a nuclear catastrophe, and to ensure the people's right to life and to peace. Trade unions must do everything within their power to ensure that the coming year of 1986, which has been proclaimed by the United Nations as the International Year of Peace, becomes a decisive year in the struggle for peace, security, and cooperation, for a turn for the better in Europe and throughout the world. We are for peace and work, for trade union dialogue and cooperation to the benefit of the working people."

DECEMBER'S ECONOMIC PERFORMANCE SUMMARIZED

AU021313 [Editorial Report] Tirana Domestic Service in December broadcast the following economic performance reports (time and date of broadcasts in parentheses):

In Shkoder District, twenty collectives report having prefulfilled present 5-year plans. (1700 GMT 2 December) Permet District collectives have prefulfilled 6 days ahead of industrial plans for the 11-month period. (1700 GMT 2 December) Berat District industrial collectives have fulfilled the 11-month plan. (1900 GMT 3 December)

In Fier District, 12 collectives have already reported prefulfillment of the 5-year plan in all financial and economic indicators. (1900 GMT 3 December) Fourteen collectives in Durres District report fulfillment of their 5-year plans. (1430 GMT 4 December) Gjirokaster District has fulfilled its 11-month industrial plan 100 percent. (1430 GMT 5 December)

The 11-month industrial production plan in Vlore District has been overfulfilled by 4 million leks. Several collectives in Tepelene District have prefulfilled the 5-year plan. (1700 GMT 5 December)

In Berat District, several collectives report prefulfillment of the 5-year plan. (1430 GMT 6 December) Kolonje District has prefulfilled its 5-year plan by 1 and one half months. Sarande District collectives have overfulfilled the 11-month plan by 6 million leks. Twenty-one collectives in Lushnje District have fulfilled the 11-month plan. (1900 GMT 7 December)

Twenty Fier District enterprises have prefulfilled the plan with an excess of 20 million leks. The foodstuffs sector alone exceeded the production target by 8 million leks. (1900 GMT 10 December) Seven enterprises in Librazhd District have prefulfilled their 5-year plans and have produced goods worth 5 million leks over the 11-month plan: Several collectives in Tepelene District also report prefulfillment of their 5-year plan. (1900 GMT 10 December) The number of Durres District enterprises which have fulfilled the 5-year plan has risen to 20. (0700 GMT 14 December)

Five enterprises in Lushnje District report prefulfillment of the 5-year plan. (1100 GMT 14 December) Sarande District collectives, after prefulfilling 11-month plans, report prefulfilled industrial plans for the present 5-year period. (1900 GMT 15 December) Berat District reports 24 collectives have prefulfilled their 5-year plans. (1900 GMT 15 December) Pogradec District collectives have overfulfilled industrial plans for the 11-month period by 2 percent and report energy and raw material savings are above plans. (1900 GMT 16 December)

Thirty Shkoder District collectives report prefulfillment of their 5-year plans. The 11-month industrial production plan has been overfulfilled by 6 million leks. (1430 GMT 17 December) The "Kastiot Muco" heavy engineering workshop in Vlore has prefulfilled its 5-year plan and produced machinery and equipment worth 9.4 million leks over its 11-month plan. (1430 GMT 17 December) The textile combine in Berat has overfulfilled its 11-month plan by more than 5 million leks. In Elbasan District, the food and light industry has overfulfilled its 11-month plan by 5.5 million leks. (1700 GMT 18 December)

Fourteen collectives in Vlore District have prefulfilled the 5-year plan. Gramsh District has prefulfilled its 5-year plan for industrial production, with an excess of 9 million leks. (1430 GMT 20 December) Kolonje District collectives have prefulfilled industrial plans for the 5-year period 45 days ahead of schedule. The annual plan was overfulfilled 101.1 percent. (0700 GMT 24 December) In Gjirokaster District, six of 11 industrial collectives report prefulfillment of the 5-year industrial plan. (0700 GMT 24 December)

The Gjegjan copper mine in Kukes District has prefulfilled its 5-year plan and exceeded its extraction target to date by 15,000 tons. (1700 GMT 25 December) Twenty-two collectives in Durres District report prefulfillment of their respective 5-year plans. Skrapar District has prefulfilled its annual plan by 10 days. (1900 GMT 25 December) The annual plan has been fulfilled by 19 collectives in Lushnje District. Several enterprises have already reported the prefulfillment of their 5-year plans. Nine collectives in Librazhd District have prefulfilled their respective 5-year plans. The district's 11-month industrial production plan has been overfulfilled by more than 4 million leks. (1900 GMT 26 December)

In Elbasan District, seventeen collectives report prefulfillment of their 5-year plans. (1900 GMT 27 December) The 1985 industrial production plan has been fulfilled 101 percent in Kolonje District. The cost reduction target has been exceeded by more than 4 million leks, and the net income of enterprises has been exceeded by 275,000 leks. (1100 GMT 28 December)

Eleven Librazhd District collectives report prefulfillment of their 5-year plans. Seven have prefulfilled their annual plans. (1900 GMT 29 December) Twelve Pogradec District collectives have prefulfilled their 5-year plans and so far produced 1.5 million leks worth of goods above plans. (1900 GMT 29 December) Fourteen Fier District collectives report prefulfillment of their 5-year plans. (1900 GMT 30 December) In Berat District, twelve industrial collectives have so far prefulfilled their annual plans. (1100 GMT 31 December)

Also, in Pogradec District, seven collectives report early fulfillment of their 5-year plans. (1700 GMT 31 December)

Twelve Berat District collectives report early 5-year plan fulfillment. (1700 GMT 31 December)

ALIA ADDRESSES AWP CENTRAL COMMITTEE PLENUM

AU271916 Tirana Domestic Service in Albanian 1900 GMT 27 Dec 85

[Text] Communique on the 13th AWP Central Committee Plenum:

The 13th AWP Central Committee Plenum met on 26-27 December 1985 to consider a report of the AWP Central Committee Politburo on the experience gained in overcoming this year's difficulties and activity for the fulfillment of the 1986 plan delivered by Comrade Ramiz Alia, AWP Central Committee first secretary. Following a broad discussion of the report, the 13th AWP Central Committee Plenum unanimously approved it and adopted the appropriate decisions.

The 13th AWP Central Committee, Tirana, 27 December 1985

CUKO URGES YOUTH: PRESS REVOLUTIONARY SPIRIT

AU301526 Tirana ZERI I RINISE in Albanian 25 Dec 85 pp 1-2

["From the Speech of Comrade Lenka Cuko" at the plenum of the Central Committee of the Albanian Union of Working Youth in Elbasan on 23 December]

[Excerpts] "The further stimulation of the youth organization, as discussed at this plenum, is a very important problem. The more lively and militant the youth organization is, the more revolutionary the activity of the boys and girls involved in it will be, and the better they will know how to direct their lives and fulfill their duties as members of the AUWY [Albanian Union of Working Youth].

At present, young people are broadly involved in the movement of standard bearers in the implementation of the teachings of Comrade Enver Hoxha. The role of this movement can be noticed in the production process, and in organizations, education, culture, and everywhere. But this revolutionary spirit must be pressed further, using livelier, more dynamic, and professional methods and styles of work and directions, showing more initiative, and evincing more responsibility on your part in the fulfillment of duties. Youth activists and cadres wherever they are should keep close and constant links with the masses of young people, living links, far removed from the merely official. I stress this because life teaches us that links with young people that are confined to meetings, assemblies, and formal occasions just to register the fact that more activity is going on, alienate the elected cadres and activists of the youth organization and bureaucratize their relationship with the broad masses of members of the organization. True and effective links between the elected organs, cadres, and activists cannot be forged only by normal work within office hours, because work with youth is voluntary work, communist work which knows no schedule and can only be achieved by people of communist character, militant in the cause of the party and revolution.

Everybody must recognize that it is impossible to work with modern youth in the old manner, because they are now at a higher level in every way, and make greater demands. It is the task of every youth and elected organization to acknowledge and seriously evaluate how to respond to the level of young people in every field, in accordance with the higher demands the party now makes and the development of our young generation.

Comrade Enver asked us to look after young people without sectarian, conservative, or liberal attitudes, to encourage their spirit, initiative and independent revolutionary activity, and to increase the care of the whole of society for young people and their revolutionary organization.

We have seen and still see everywhere the great strength of youth, not only in the field of the economy and production, but in the whole process of the ideological class war for the solution of political and social problems, and in increased progress in all areas of life. As always, young people carry the flag in the ideological war against alien phenomena, against backward customs, and are the initators of many activities at district and national level. But are the broad masses of youth involved in ideological movements? Do such problems occupy the place they should in the life of the youth organization? Are they discussed with vigour, and do conclusions for further action emerge? Such problems must be considered as very important for the stimulation of the youth organization, and for the growth of initiative and activity in young people. We notice little discussion of ideological and cultural problems in the youth organization and forums, and that many young people are not as involved in these problems as they should be.

So, we ask that all manifestations of one-sidedness in the life of the youth organization be avoided, and that the revolutionary courage of young people be increased to develop and deepen constantly the class war against alien conservative or liberal phenomena, and to affirm what is new in our socialist life.

Without denying the achievements of many youth organizations, I wish to stress that there are many others whose attitude towards alien phenomena and the people who witness them is not healthy. This situation must change; there must be deep and many-sided educational activity, subjecting young people with bad habits to the healthy criticism of members of the youth organization. For our young people, all kinds of indifference are alien, as is silence in the face of anything which threatens the interests of socialism and the character of youth. Whether at the workplace, on the agricultural collective, in the military unit, or at school, wherever things are not going well, where there is stealing or lax discipline, where there is unpleasant behaviour, favoritism, or back-scratching we do well to pose the question: What are young people and their organization doing? Are they responsible? We must train young people's sense of responsibility and drive it deep into the consciousness of every boy and girl.

Let us not forget that the development of the class war is necessary not only against internal and external enemies and their activities, but also against all kinds of alien phenomena in the ranks of youth. The enemies of our country are enraged at the victories we have won and by the struggle we are waging for the defense of socialism by our own resources, and so they try in many ways to prevent the progress of socialism in Albania. But they will never succeed, because we have a strong party, a unity like steel, and unbreakable links between the people and the party and its Central Committee, with Comrade Ramiz Alia at its head."

ZHIVKOV SPEAKS AT NEW YEAR'S DIPLOMATIC MEETING

AU022006 Sofia BTA in English 1932 GMT 2 Jan 1986

[Text] Sofia, January 2 (BTA) -- State Council President Todor Zhivkov held here today his traditional New Year's meeting with the chiefs of the diplomatic missions accredited to this country.

On behalf of the diplomats, the doyen of the diplomatic corps Mr Muhammad Haydarah Masdus, ambassador of the People's Democratic Republic of Yemen to Sofia, wished fresh successes to Mr Todor Zhivkov and to the entire Bulgarian people. The ambassador thanked the Bulgarian Government for the assistance which it had been rendering to the diplomatic missions in the fulfillment of their duties for the sake of expanding peaceful cooperation.

In reply, Mr Todor Zhivkov greeted the diplomats and thanked for the wishes.

This country's first party and state leader indicated in his statement that what brings people on the planet together, the desire to live and work in peace, is more important and more powerful than what sets them apart. "We have completed the year with good results in all fields: socio-political life, the economy, the social sphere, science and technology, culture, and education," Mr Zhivkov stressed. He pointed out that in 1985 a number of new undertakings had gone under way, especially in the field of techno-scientific advances. "Our efforts in this respect are in unison with the efforts made by the other member countries of the Council for Mutual Economic Assistance," Mr Zhivkov said.

Dwelling on topical international issues, Mr Zhivkov emphasised that in 1985 the dangerous armament tendency persisted in the international scene, and yet, at the same time the hope-raising process made itself felt which contains in itself the germs of a new detente.

In this connection, the State Council president stressed the importance of the Geneva summit between Mr Mikhail Gorbachev, secretary general of the CC of the CPSU, and Mr Ronald Reagan, president of the United States, as well as the importance of the numerous peace initiatives advanced by the Soviet Union and the other socialist community countries.

"We, the Bulgarian people and its leadership, take an active part in the joint peace initiatives of the socialist community countries," emphasised Mr Zhivkov in his statement. "Our concrete contribution is our constructive Balkan policy: principled, consistent, and realistic, not subject to any ad hoc considerations or external short-sightedness, it is a policy of goodneighbour relations and cooperation. Bulgaria perseveres in her efforts towards the denuclearization of the Balkans and, together with Romania, she has suggested the establishment of a Balkan chemical-weapon-free zone. The first response to our new peace initiative show [as received] that our efforts are channeled in the right direction."

After that Mr Zhivkov had a friendly talk with the chiefs of the diplomatic missions accredited to this country.

[Sofia Domestic Service in Bulgarian at 1830 GMT on 2 January, in reporting the same meeting, adds the following: "The meeting was attended by Petur Mladenov, minister of foreign affairs, and Nikola Manolov, secretary of the State Council."]

ZHIVKOV DELIVERS HOLIDAY ADDRESS TO STUDENTS

AU161123 Sofia RABOTNICHESKO DELO in Bulgarian 8 Dec 85 pp 1, 2

[Excerpts] Bulgarian students have always distinguished themselves by the great awareness they have of the era in which they live, and that is why our young people have earned great prestige for their detachment in our society -- as exponents of progress.

Among the hundreds of young people who filled the Congress Hall of the Lyudmila Zhivkova People's Palace of Culture yesterday, long before the beginning of their meeting with the BCP Central Committee Politburo, were students who participated in solving complicated scientific and technological problems and students who have achieved specific successes in their studies and in expanding the creative initiatives of the Komsomol. On this day the representatives of different educational institutions from all parts of the country joined in awaiting the natural climax of the celebrations of the traditional students holiday -- the sincere and always exciting meeting and talks with Comrade Todor Zhivkov, our first party and state leader.

The young people greeted Comrade Todor Zhivkov at the rostrum with prolonged applause. He congratulated them on their holiday and most sincerely greeted them on behalf of the Politburo and BCP Central Committee Secretariat, the State Council and the government, wishing them vigor, health, and great new successes in their work and education.

In his speech to the academic youth, who listened with great attention, Comrade Todor Zhivkov touched upon topical issues of the domestic economic development of the country and dealt with the preparations for the 13th BCP Congress. Stressing the stability and the high rates of speed of our total economic development, Comrade Zhivkov raised the questions of scientific-technical revolution, which is the decisive and crucial problem of our further progress in building mature socialism. The contemporary scientific-technical revolution requires drastic changes along the entire front of our life. It demands a total change in our way of thinking and our actions. In this context the first party and state leader pointed out the particularly important role assigned to academic youth, to our future specialists, who must become the creative initiators and the leaders of our progress.

Comrade Todor Zhivkov also dwelled on the measures adopted in our country today in connection with overcoming the difficulties connected with the severe and prolonged drought.

In dealing with the international situation our party and state leader pointed out the great importance of the meeting between Mikhail Gorbachev and Ronald Reagan, President of the United States. This meeting marked the beginning of a dialogue aimed at proceeding toward positive changes in the world.

Comrade Todor Zhivkov's speech was heard with great attention and was frequently interrupted by approving applause. It was accompanied by stormy and very prolonged applause and by cheers to the glory of the BCP and the Komsomol.

USSR OPENS CONSULATE IN RUSE; MLADENOV ATTENDS

AU241404 Sofia RABOTNICHESKO DELO in Bulgarian 21 Dec 85 p 6

[Text] On 20 December a USSR consulate was opened in Ruse.

The opening ceremongy was attended by Petur Mladenov, member of the BCP Central Committee Politburo and minister of foreign affairs, by first secretaries of BCP okrug committees, and by chairman of okrug people's councils' executive committees from okrugs in the region of the general consulate.

Leonid Grekov, USSR ambassador to Bulgaria, also attended the celebration.

Comrad Petur Mladenov spoke on the friendly relations and comprehensive cooperation between the peoples of Bulgaria and the USSR.

Petur Petrov, fist secretary of the BCP Ruse Okrug Committee, and Leonid Grekov, USSR ambassador to Bulgaria, also spoke. Aleksandr Kolesnikov, USSR general consul in Ruse, replied to the greetings.

DYULGEROV RECEIVES YUGOSLAV TU DELEGATION

AU241411 Sofia RABOTNICHESKO DELO in Bulgarian 19 Dec 85 p 2

[Text] On 18 December Petur Dyulgerov, candidate member of the BCP Central Committee Politburo and chairman of the Bulgarian Trade Unions Central Council, received a delegation of the Belgrade Council of the SFRY Trade Unions, visiting the country at the invitaiton of the Sofia City Committee of the Bulgarian Trade Unions. The SFRY delegation is led by Radenko Puzovic, chairman of the Belgrade Council of the SFRY Trade Unions.

Comrade Petur Dyulgerov expressed the hope that the visit will contribute to further developing relations between the trade unions and the working people of the capitals of our neighboring countries.

ATANASOV BRIEFS VISTING PZPR WORKING GROUP

AU241405 Sofia RABOTNICHESKO DELO in Bulgarian 19 Dec 85 p 2

[Text] On 18 December Georgi Atanasov, candidate member of the BCP Central Committee Politburo and secretary of the BCP Central Committee, received the PZPR Central Committee working group led by Jerzy Wilk, first secretary of the Legnica Voivodship Committee, which is visiting our country. During their visit to Bulgaria the Polish guests were acquainted with the forms and methods of work of the BCP Ruse Okrug Organization.

During the talks which took place in a cordial and friendly atmosphere, Comrade Georgi Atanasov briefed the Polish party workers on the tasks which the Bulgarian Communists and the entire working people are solving in implementing the decisions of the 12th BCP Congress, and for worthily greeting the 13th BCP Congress.

The meeting was attended by Atanas Konstantinov, deputy head of the BCP Central Committee "Organizational" Department. Wladislaw Napieraj, Polish ambassador to Bulgaria, also attended the meeting.

FILIPOV VISITS RAZGRAD OKRUG, PRAISES PLAN WORK

AU241415 Sofia RABOTNICHESKO DELO in Bulgarian 21 Dec 85 p 6

[Text] On 20 December Grisha Filipov, member of the BCP Central Committee Politburo and chairman of the Council of Ministers, visited Razgrad Okrug. He was acquainted with the work of several agricultural objects that reflect the modern trends of the branch's intensive development.

A joint meeting of the BCP Razgrad Okrug Committee and the Executive Committee of the Razgrad Okrug People's Council took place at the municipal committee of the party at the Zavet conurbation system. Anastasiy Donchev, first secretary of the BCP Razgrad Okrug Committee, spoke on the results of the labor and creativity of the Ludogorie people, who have achieved a significant overfulfillment of the plan according to several indexes.

Comrade Grisha Filipov expressed satisfaction with the successful implementation of the plan for the Eighth 5-Year Plan ahead of time by the okrug's working people. He stressed that the Ninth 5-Year Plan will have decisive importance in developing the scientific-technological revolution in the country. Therefore, the 1986 plans must fully correspond to the decisions of the BCP Central Committee February Plenum. In this context it is necessary to create conditions of change in developing the branches determining the structure in the okrug -- antibiotic and glass production, agriculture, and the mastering of the new raw material base. He pointed out the special significance of creating a balance of all resources, securing the implementation of the 1986 plan through a broad dialogue from top to bottom and from bottom to top.

ANTONOV DEFENSE COMMITTEE ISSUES GLOBAL APPEAL

AU022030 Sofia BTA in English 2011 GMT 2 Jan 86

[Text] Sofia, January 2 (BTA) -- The Bulgarian National Committee for the Defence of Sergey Antonov has addressed an appeal to the Sergey Antonov defense committees abroad.

The appeal says that the court trial, which opened in Rome on May 27 last year and in which Sergey Antonov and two other Bulgarian nationals are arraigned on charges of complicity in the attempted assassination of Pope John Paul II, has entered its final stage. During the court proceedings, as well as at the more than three-year-long preliminary inquiry, not a shred of evidence has been located to prove the Bulgarian nationals' guilt. On the contrary, some facts were established which corroborate the Bulgarian defendants' innocence and prove that they have nothing to do with this act of terror. In addition, the slanderous allegations of the Turkish assailant Ali Agca, on which the prosecution case was built, have been disproved.

The appeal points out that the testimonies of all witnesses questioned at court did not contain any evidence for the prosection. A number of witnesses told the court many concrete facts concerning the improper role and interference by interested extra judicial institutions in shaping and steering Ali Agca's testimony about the alleged Bulgarian connection.

The international rogatory commissions of the Rome court carried out in Turkey, Holland, and the FRG brought nothing to corraborate the prosecution case, and Zhelyo Vasilev and Todor Ayvazov, questioned during the rogatory commission of the Italian court in Sofia on December 20 and 21 last year, categorically refuted Agca's slanders.

By carrying out the rogatory commission of the Italian court in Sofia, even though there is no judicial cooperation agreement between Bulgaria and Italy, the Bulgarian judicial authorities have once again proved (as they did during the preliminary inquiry) their willingness to cooperate with the Italian judiciary in the establishment of the truth, the document states.

According to the schedule of the Rome court, it has been announced that the sides will start their presentations after the first decade of January 1986, when the counsels for the prosecution and for the defence will deliver their speeches, after which the court will proceed with passing its judgement.

Despite the incontrovertible evidence and the absolutely baseless charges, the National Committee for the Defence of Sergey Antonov voices its concern over the very fact that such a tendentious investigating magistrate Ilario Martella, an investigation which provided the basis of an unprecedended trial. The committee is further alarmed by the efforts on certain quarters to do a flagrant injustice to innocent and honest people for the sake of impure political ends against the People's Republic of Bulgaria.

The National Committee for the Defence of Sergey Antonov calls on all fairminded people in the world to take an all-out action and urge the absolute discharge of the wrongfully arraigned Bulgarian nationals.

ZHIVKOV GREETS ISRAELI CP LEADER ON REELECTION

AU271109 Sofia RABOTNICHESKO DELO in Bulgarian 21 Dec 85 p 1

[Text] Todor Zhivkov, general secretary of the BCP Central Committee, has sent the following message to Meir Vilner, general secretary of the Central Committee of the Israeli Communist Party:

Esteemed Comrade Vilner, on behalf of the BCP Central Committee, all Bulgarian Communists, and on my personal behalf I greet you most cordially on your reelection as general secretary of the Central Committee of the Israeli Communist Party, and wish you successful and beneficial work in implementing the decisions of the 12th Congress of the Israeli Communist Party.

I am convinced that the fraternal relations and cooperation between the BCP and the Israeli Communist Party will further develop and strengthen on the basis of Marxism-Leninism and the principles of proletarian internationalism, for the benefit of our peoples and the benefit of the unity and cohesion of the international communist and workers' movement, and world peace, security, and progress.

ROME, VIENNA ATTACKS SERVE ISRAEL'S INTERESTS

AU021210 Prague RUDE PRAVO in Czech 30 Dec 85 p 7

[Petr Vana article in the "Notes" column: "Handwriting of Terrorism"]

[Text] The bloody attacks at the Rome and Vienna airports have more in common than just timing. The almost simultaneous attacks claimed 18 human lives, and a number of the more than 100 persons injured are still fighting for their lives in hospital. The police have thus far reported that the culprits came from some part of the Middle East, from the region in which imperialism artificially nurtures tension. No matter what the motive of the attackers was, their deed is a crime that nothing can justify.

Also, the resolute condemnations that resound from many countries, including Arab countries, unequivocally reflect such a stance. These attacks will not serve the Palestinian cause; on the contrary, they are to the disadvantage of the effort for a just and peaceful settlement in the Middle East. This emphasis is justified, because again Israel in particular is trying to pour new oil onto the blazing anti-Palestinian campaign. Also, the new hopes for pacification in Beirut, spurred by the negotiations conducted by the most important Lebanese forces under Syria's auspices, are a thorn in the side of those who would like to profit from tension and clashes.

The PLO's stance immediately following the attacks in Rome and Vienna was conveyed by the organization's permanent representative to the UN. And also the PLO's official statement published in the organization's headquarters in Tunisia resolutely condemned the terrorist actions. The statement categorically rejected lying fabrication which would like to link the incidents with the PLO's name.

Who is the real author of the criminal attacks is answered by the simple logic of the well-known question: Whom does it serve? There is no doubt that the culprits were extremists. There also is no doubt that their action serves the extremist policy practiced by the United States' closest ally in the region -- Israel. One can also imagine that those occupying and terrorizing neighboring states and nations wanted another pretext for new crimes. The handwriting of terrorism has identical strokes.

LIBYAN MISSILES LEGITIMATE ANSWER TO U.S. THREAT

AU021515 Prague RUDE PRAVO in Czech 30 Dec 85 p 7

[Milan Madr article in the "Notes" column: "The Same Refrain"]

[Text] A strange, threatening tone addressed to some Arab countries resounded twice in the past few days. First, with feigned indignation, Israel has lashed out at Syria, and then the United States at Libya. With incredible demagoguery they are reproaching them for carrying out on their own territory defensive measures consisting -- according to press reports -- of the installation of surface-to-air missiles.

One can see that the United States and Israel, linked, by the way, in the so-called strategic alliance and espousing the use of force in international relations, cannot unlearn their bossy manners vis-a-vis other states. They arrogate to themselves entitlements that are at clear variance with state sovereignty and international law. Libya and Syria have the inalienable right to defend themselves.

The fact is that former and, obviously, also future aggressors have begun hollering. It is known that the U.S. President has approved a plan for overthrowing the Libyan Government. Moreover -- according to THE INTERNATIONAL HERALD TRIBUNE of 23 December -- last summer the Pentagon began to prepare a plan for a military assault on Libya. According to the daily, experts in the U.S. Department of Defense had come to the conclusion that a "direct military action" against Libya could require 6 American divisions; that is, 90,000 troops.

These then are the matters the Pentagon occupies itself with. And the U.S. Government is even so impudent that it dares to protest against steps Libya regards as necessary in the given situation. When the State Department spokesman asserted that "this (Libyan measure) clearly exceeds any legitimate security requirements Libya has " then, first, it is in no case his right to make decisions for the Libyan Government. And second, the Libyans have every right to consider that, on the contrary, what the United States does with its Sixth Fleet near the Libyan coast quite obviously exceeds any U.S. security requirements. The identical refrain from Washington and Tel Aviv constitutes the same thing: an impertinent diktat and interference.

DEEDS SHOULD SUPPORT WEST'S WORDS OF PEACE

LD022053 Prague Domestic Service in Czech and Slovak 1730 GMT 2 Jan 86

[Antonin Kostka commentary: "Stepping Out With a Common Wish and for Common Goals"]

[Text] Optimism, good will, and hope are always linked with every new beginning, and with the new year in particular. Rarely in the past, however, particularly in the speeches of NATO representatives, have they had such a marked and clear form as in their New Year speeches this year. Rare agreement with the traditionally peaceful standpoints of the statesmen of socialist countries was truly surprising.

It would, however, be naive to look for the cause of this in some sort of miraculous change of opinion and attitudes of the Western statesmen. More likely than anything else it is a reflection of the fact that the critical culmination of the situation, to which their policy of confrontation had led, raised the danger of a nuclear catastrophe so much that the wish for peace became a dominant factor in all countries of the world, and they could not ignore this. Where the New Year speeches of the statesmen of East and West differed -- and if we pass over the transparent attempts of some, such as for example West German Chancellor Kohl, who ascribed to himself a role in renewing international dialogue -- was particularly in the internal and economic areas. Compared with the intentions of building and great tasks in the development of socialist society, there were Western promises to end inflation, reduce unemployment, fight stagnation, and avert further economic decline.

There was one significant difference, however, in the New Year speeches which could be heard from East and West, in the similarly sounding international passages. Because if almost the same words were heard here and there about the need for detente, understanding, and trust, about disarmament and peace, there was a fundamental difference in the amount of justification for these words; in the credibility which is given by how much these words are supported by deeds; by how far one or other country in the previous period stood behind true detente, real understanding, and material disarmament. But there was not a single mention in the New Year speeches from Washington, London, and Paris concerning the main thing that the people want to hear, that these nuclear powers are joining the Soviet moratorium on nuclear explosions as a first step to stopping the arms race and stopping the perfecting of nuclear weapons.

On the contrary, just before the new year a nuclear charge 10 times stronger than the Hiroshima bomb was exploded in the Nevada desert for the purposes of space arming. And so, the peaceful assurances from these cities lacked the main thing, credibility.

Undoubtedly, the most important new year act of statesmanship was the parallel New Year messages which the highest representatives ofthe Soviet Union and the United States delivered on the television of the other country. This action was the first of its kind; at the same time they were the first direct speeches of thehighest representatives on television of the other country in more than 14 years. Perhaps this is why many people expected something unusual, even revolutionary. The speeches, however, truly do not say any more than what was said at the close of the Geneva meeting between both representatives. But this fact in itself is a significant contribution to the development of Soviet-American dialogue and to the renewal of detente, especially since some speeches and actions by Washington's politicians recently gave the impression that the United States was distancing itself from the Geneva agreements. The will to continue with dialogue, looking for a way to overcome disagreement, and to find ways to first limit and then completely liquidate nuclear weapons, which was once again confirmed in the New Year messages of the highest representatives, is a great promise made on the threshold of the just begining International Peace Year, a promise that from joint resolutions will come the realization of the joint hopes of all people for a life of security and peace.

POTAC REPORT TO FEDERAL ASSEMBLY ON 1986 PLAN

AU181351 Prague RUDE PRAVO in Czech 10 Dec 85 p 2

[From the speech by Svatopluk Potac, CSSR deputy premier and chairman of the State Planning Commission, at the 20th joint session of the chambers of the Federal Assembly on 9 December on the draft bill of the state plan of the development of the national economy in 1986]

[Text] The CSSR Government submits to the Federal assembly the draft bill of the national plan for the development of the CSSR national economy for 1986. This procedure is necessary because the draft bill on the Eighth 5-Year Plan will be submitted to the Dederal Assembly next year.

The recent 16th session of the CPCZ Central Committee assessed in detail not only positive results, but also the causes of the shortcomings and bottlenecks in our economy, which have been eakening the -- on the whole -- good results of the economic and social development in the period of the Seventh 5-Year Plan, and set demands and measures for eliminating them.

Permit me, therefore, to inform the Federal Assembly only very concisely about the overall fulfillment of bill No. 122/81 on the Seventh 5-Year Plan.

As is known, the consequences of weighty changes and new realities that differed from the presumptions from which the 16th CPCZ Congress proceeded were projected into that bill. When preparing the plan the possibilities of our further development in more difficult internal and external conditions were assessed. The bill fully expressed the intentions .ofthe 16th CPCZ Congress regarding ensuring the pivotal objectives: maintaining and improving the current high standard of living of the population and its social security; intensification of the economy; and improving the technological standard of production and quality, all work, and reducing resources for investments.

The results achieved in the 1981-85 period constitute the fundamental filfillment of the bill on the Seventh 5-Year Plan. The results of the 1983-85 period particularly contributed to this, when we achieved an annual average growth in the generation of resources and in effectiveness as determined by the 16th CPCZ Congress.

It is an indisputable fact that we have made progress during the period of the Seventh 5-Year Plan in the resolution of many important national economic problems. This, coupled with the results achieved in the economic and social development during the period of the Seventh 5-Year Plan, reinforces our conviction that we can realize even more demanding concepts, intentions, and aims. We can speed up the development and creation of resources; and this is the more so since we still have big reserves in our economic potential and in the subjective factors, which must be mobilized. We must tackle with an equal consistency problems that have accumulated, and eliminate shortcomings which are impeding faster development and the process of intensification.

Reinforcing Positve Development

The plan for the next year reinforces and consolidates the positive trends that have been asserting themselves in recent years. Its intentions and main tasks, to ensure the smooth transition from the Seventh to the Eight 5-Year Plan along an upward line, constitute a springboard into a period of greater dynamism in the creation of national income and of a higher and better satisfaction of the needs of society and the population. Although these are very demanding tasks -- conpared wtih the plan, and also the anticipated reality to the current year -- they are nonetheless necessary and realistic.

The growth of the national income by 3.5 percent is faster than this year and than the average of the past 3 years, when it amounted to 3.2 percent. In 1986, in terms of volume, gross national income is planned to amount roughly to Kcs642 billion.

In the growth of national income, industry plays a decisive role, ensuring more than four-fifths of it. The creation of resources is based, above all, on the mobilization of the factors of intensification and internal reserves, and to a lesser extent, on the growth of production. The clear pressure to improve efficiency is expressed by the edge that the growth rate of national income has over the growth in industrial output, which is to be increased by 2.6 percent, whereas this year a substantially higher growth is expected.

It is desirable that economic production units, enterprises, and organizations incorporate in their economic plans more stringent tasks in production, especially in spheres in which the needs and demands of consumers have not been fully satisified. The increases in production can only be realized on condition that the planned inputs, especially of fuels and energy, are observed, and an effective utilization of that production is used in foreign and domestic trade in order to ensure the speedy completion of investments and the creation of useful reserves.

The growth of output is oriented primarily toward branches with the highest degrees of appreciation [zhodnoceni] of energy and material resources. In contrast to this, the growth of brances where the use of these resources is intensive, especially the branches of fuel and metallurgy, continue to stagnate or are being slowed down substantially. These interbranch structural changes held down by the plan are in line with the concept of the Eighth 5-Year Plan.

An above-average growth of production, 4.9 percent, is envisaged in the engineering sector, with the highest one, 8.9 percent, in the electrotechnical industry. A number of production branches and advanced products, especially in the area of electrotechnical and general engineering, will even enjoy a several-times greater growth than the average.

Ranking among the dynamically developing branches are specialized chemicals and the pharmaceutical industry, with a 6 percent growth, providing for the growing needs of our health service.

The growth of the output of the light industry will be linked with ensuring higher and top quality products and the expansion of the range of products both for export and for the domestic market.

Following the stagnation in the years of the Seventh 5-Year Plan, the construction sector increases its production by 3 percent. The faster growth is linked with the need to ensure structural changes in capital construction and participate in integratory actions ensuring our country long-term supplies of natural gas and iron ore; it is also linked with demands for substantially increasing the share of construction work in repairs and maintenance. The construction sector must achieve a fundamental turn when it comes to mobilizing the considerable internal unused resources, especially as regards the productivity of labor and the efficiency of production, adapting the structure of construction work more quickly to the needs of the national economy, and ensuring the stabilization of the work force.

The tasks of the agricultural-food complex proceed from the on the whole positive development in the past few years, and from the high consumption level of basic foodstuffs. We expect only a moderate growth of gross agricultural production. One has to continue to give plant production preference over animal production, including creating stockpiles -- above all of feed grains, as the fundamental prerequisite for a stable and smooth development of animal production in the years to come and for the stability of our balance of payments with foreign countries.

The envisaged level of agricultural production and the imports of raw materials will make it possible to increase the food industry's deliveries to the domestic market by 2.5 percent. We expect per-capita consumption of meat to reach about 86 kg, milk 247 liters, eggs to be 332, and of fruit and vegetables, including imported produce, 143 kg. With the domestic market being -- on the whole -- well supplied with basic foodstuffs, it is necessary to concentrate, above all, on eliminating shortages of hard-to-obtain foodstuffs, providing greater choice, increasing the share of top-grade products, and a smooth supply on the part of the trade.

In the interest of improving the state of our forests, cultivation is being increased and timber production reduced.

Constant Growth of Social Labor Productivity

The constant growth of social labor productivity and improving efficiency are the decisive path toward ensuring the planned growth of national income by 3.5 percent while maintaining the existing input of fuels, energy, and raw materials. The 1986 plan therefore envisages substantially greater savings in overall costs, which are to reach roughly Kcs12 billion, of which Kcs10 billion alone are material costs. The share of production consumption in the social product will be reduced -- in harmony with long-term intentions -- by 0.6 percent.

Lasting contributions to the economy's intensification can be ensured, above all, by the widespread application of technological progress. Better conditions have therefore been created in next year's plan for the reinforcement of the research and development base by increasing investment, noninvestment, foreign currency resources, and the work force, and by increasing the resources of the technological development fund and setting up semioperational units to verify research results. It is natural that we must demand that the invested resources are efficiently utilized and yield maximum benefit to the national economy and the entire society.

The intentions and the tasks in the growth of production, in increasing efficiency, quality, and thrift, are the prerequisite for the planned increase in social labor producivity by 2.7 percent, the growth of adjusted value added by 4.8 percent, and the growth of profits by more than 11 percent.

We regard the growth of labor productivity as low. Therefore, it is necessary that, in working out their economic plans, the economic production units, enterprises, and plants ensure a markedly higher growth of labor productivity that corresponds to the large quantity of the basic machinery that workers have at their disposal and to the need for more efficient utilization of direct labor.

Of the resources available next year to cover domestic needs, more than 67 percent are earmarked for nonproduction consumption. This will make it possible to increase the personal earnings of the population by 2.5 percent, particularly wages. Total personal earnings will reach Kcs428 billion. However, the level of the population's personal earnings depends on the resources of created national income and the growth of labor productivity.

In order to make the average wage increase, one has to make greater use of the decision in effect since 1982, which states that the national plan does not stipulate mandatory numbers of employees and average wages. Thus, increasing the adjusted value added and a greater growth of labor productivity make possible the further growth of average wages and differentiated remuneration based on merit. This is, among other things, the objective of the measures that are being implemented with the aim of enhancing the economic effectiveness of the wage system, especially its second stage, which will go into effect at the beginning of next year for about a half of the work force employed in the main branches.

Personal consumption is expected to grow by 1.9 percent, above all through the population's shopping on the domestic market. The 1986 plan is the basis for improving the situation in respect to the supply of the population. The dynamism of sales of consumer goods, especially durables and paid services, will overtake the growth of sales of foodstuffs. It is expected that 123,000 passenger cars will be sold; so will 500,000 refrigerators and freezers; 200,000 color television sets; 140,000 automatic washing machines; and 149 million garments.

The higher growth of the national income makes it possible to continue to improve the material equipment of organizations in the nonproduction sphere and the further growth of social consumption. Per-capita social consumption will reach Kcs11,733, which is 3.3 percent more than this year; it will constitute almost four-fold the average monthly wage.

Outlays for material social consumption increase by 3.8 percent, especially in health care -- by 6.4 percent, and in culture and education -- by 3.7 percent. A program of modernization of school teaching oriented toward the utilization of electronics is expected to start.

A total of 82,000 apartments will be made available next year. This number is considerably lower than the planned annual share of 480,000 in the Eighth 5-Year Plan. This is caused by the unprepared construction sites and the low volume of projects under construction due to the great number of apartments finished this year.

In the Eighth 5-Year Plan, the resources earmarked only for separate specifically designated economic projects are being more than doubled. A total of 23 important ecological projects will be started in 1986, and 36 projects will be finished. In addition to this, ecological projects will constitute a part of the construction of [major] investment units [celky], samll projects organized in the Z-action [community self-help], and of projects carried out on the basis of pooling resources.

Intensive Type of Development

The orientation of the investment program is exceptionally important for tasks connected with transforming the economy onto the path of an intensive type of development. The 1986 plan envisages resources amounting to Kcs167 million for investments. This is a moderate increase compared with the current year.

The acceleration of the structural and technological reconstruction of the economy in the Eighth 5-Year Plan requires us to markedly increase the role of machinery and equipment next year. In accordance with this long-term concept, the volume of machinery and equipment will increase by 11.4 percent. On the other hand, the volume of construction work will decrease by 6.4 percent. The share of machinery and equipment in the total volume of investments will increase from 41 percent this year to 45 percent in 1986.

The plan perferentially ensures investments for state goal-oriented programs, outputs of scientific-technological development, the electronization of the national economy, raising the export potential, ecological projects, and projects in the sphere of fuels and power engineering.

In order to increase incentives and the interests in accelerating their development, enterprises and organizations that fulfill the set criteria and conditions may realize further investments beyond the prescribed limit, especially by making use of returnable foreign currency credits, of additional production of single-purpose machinery, and by deploying resources acquired from incentives paid for results in foreign trade.

An important long-term and effective factor of intensification is the broadening of our economy's participation in the international division of labor, especially in the socialist economic integration, and the expansion and deepening of specialization and cooperation in production.

The national plan for next year envisages the further growth of foreign trade turnover, which is insufficient. Therefore it will be necessary to search for further possibilities of effective growth with the aim of gradually achieving an edge in the growth rate of foreign trade turnover over the growth rate of national income.

Vis-a-vis the socialist countries, next year's plan envisages a 3-percent increase in foreign trade turnover, with exports increasing by 4.6 percent. In accordance with the results of the coordination of the national-economic plans for the next 5 years, intrabranch and intrasector exchange will be the dynamizing element.

The conclusions of the CEMA economic summit and the realization of the measures arising from the long-term economic and scientific-technological cooperation programs with the CEMA countries, of which the program signed with the Soviet Union is of great importance, are being gradually fulfilled.

Vis-a-vis the nonsocialist countries, next year's plan does not envisage any growth of exports, above all because it is based on a concept striving to slow down the export of raw materials, particularly coal, raw timber, and metallurgical products, while increasing the export of products of the processing industry, especially engineering production and the wood-processing industry.

Incentive measures have been adopted to boost exports. At the same time scope is being opened for increased imports of machinery -- especially for bigger investment actions in the chemical and automobile industries, and for increased imports of consumer goods. The extent of these imports will depend on the fulfillment and exceeding of planned exports.

The year 1986 is the first year of the new 5-year plan. By its orientation and fulfillment it will considerably influence the development of the next 5-year plan.

The determined concept of next year is also influenced by the envisaged results and the developments in the current year, which are the starting point for the coming year. The CSSR Government set the principle that, especially in the sphere of qualitative indexes, the 1985 plan is the basis for entry to the Eighth 5-Year Plan. The objective of that measure was to mobilize all resources and unused potential for the comprehensive fulfillment of this year's plan and thus eliminate speculations about creating a nondemanding base for entry to the Eighth 5-Year Plan.

We believe counterplans can contribute to ensuring the demanding qualitative tasks of the plan. Economic organizations and trade union agencies can come forward with the further tightening of the tasks of the state plan up to next February, when the plan will be confirmed by a superior agency. In this connection, the government expresses its appreciation of the decision of the Central Trade Union Council, which orients the working people's initiative toward reducing the share of material costs in output by 0.5 percent, increasing labor productivity by 1.0 percent, and toward a substantial qualitative improvement of manufactured products.

The tasks of the 1986 plan, as the first year of the Eighth 5-Year Plan, are demanding and their implementation will require an exceptional effort by ranking personnel of state and economic agencies on all levels of management, and a united course with trade union agencies when organizing the working people's participation in working out and implementing plans in the spirit of the principles of the CSSR Government and the Central Trade Union Council, adopted last month. The intensification of our economy, especially the acceleration and comprehensive implementation of the results of scientific-technological development in practice must be in the forefront of everybody's attention. It is a process that is necessarily linked with new creative thinking and new approaches to the fulfillment of the plan's tasks and with overcoming everything from the period when extensive development dominated.

TECHNOLOGICAL EDUCATION KEY TO DEVELOPMENT

LD191345 Prague Domestic Service in Czech and Slovak 0830 GMT 19 Dec 85

[Text] An article by Miloslav Dockal, candidate member of the CPCZ Central Committee devoted to the important changes in our education, is published today in RUDE PRAVO and the Slovak PRAVDA. It says that at present with the culmination of preparations of the CPCZ and the whole of society for the 17th congress of the CPCZ, education workers, too, are examining the fulfillment of conclusions of the 16th congress of the party and the further tasks which the socialist schools face.

In this connection, they are especially aware of the fact that our schools, in all their activities, have to proceed from the needs of socialism. They must serve the interests of the working class and other workers, and must actively implement the CPCZ program aims. The entire history of the party, especially the period of the construction of an advanced socialist society after the 14th congress of the party, confirms the fact that the care for the increase of the cultural and educational standard of the population has been and still is one of the priority policy spheres of the CPCZ and the socialist state.

The present educational policy program of the party is literally a program of all-around development of the personality of each citizen. At present, at annual members meetings and conferences, Communists from all levels and types of schools are deciding how best to implement the present and future demanding tasks of the party educational policy.

The article by Miloslav Dockal then stresses that in the past there has been positive development in preschool education. The status and social function of the basic education school have changed fundamentally. In the new approach, emphasis has been placed on the development of pupils' thought and independence, on forming their scientific world view and their attitude toward the socialist society and on the creation of their positive attitude to work. The changes implemented in all three streams of secondary education are also of fundamental importance; they aim at an improvement of the quality of work, and deepen the specific character of their mission. At high schools, an ideal length for the period of studies has been introduced and their contents have been modernized.

In the latter part of the article, Comrade Dockal stresses that the main requirement demanded from a soscialist teacher is responsibility for the result of his work. Only a teacher who by his ideological-political and moral qualities, by specialized skills and abilities, work discipline and by constant care for his own all-around growth -- who is an example to pupils and students and enjoys a natural authority -- is able to have a true responsibility for the results of his work.

The article stresses that the acceleration of scientific-technical development in conditions of socialist construction increases the requirements and demands on our entire educational system. This requires the strengthening of a modern mathematical, scientific and technical education and the implementation -- in the training of future workers, technicians, engineers and other specialists -- of the results of cybernetics, robotics, bioltechnologies and other progressive spheres. To achieve high efficiency in this, it is necessary for the scientific-technical revolution to become the fabric of the life and work of socialists schools. It is necessary that the school not only teaches about electronics and computer technology but that these and other branches of scientific-technical progress become the very contents of school activity of pupils -- students as well as teachers. At present, a comprehensive program introducing computers into education, which will be a basis for an accelerated solution to these question in schools and educational establishments, is being completed.

In conclusion, the article says that the present precongress period has become an important impulse for the further development of the broad activity and initiative of working people in education in honor of the 17th congress of the party and the 65th anniversary of its foundation and for the acceleration of the socioeconomic development of our society through a better and more efficient preparation of the young generation for life in conditions of advanced socialism. This is being done because education and training are spheres which will enable us to advance and to achieve in a historically short time the superiority of socialism over capitalism.

The higher standard of training of the young generation in socialist society will, as a consequence, increase its higher scientific-technical and economic potential, Comrade Miloslav Dockal concludes his article about important changes in education published in today's RUDE PRAVO and the Slovak PRAVDA.

BRIEFS

CHNOUPEK RECEIVES ECUADOR ENVOY -- Bohuslav Chnoupek, minister of foreign affairs, today in Prague received the new ambassador of the Republic of Ecuador to Czechoslovakia Artur Lecar Bustamente in connection with his taking up office. During the meeting they evaluated the present state and perspectives of the development of mutual relations and they evaluated basic questions of the international situation. [Text] [Prague Domestic Service in Czech and Slovak 1600 GMT 2 Jan 86 LD]

YAMBURG PIPELINE -- Moscow, Jan 2 (CTK correspondent) -- More than 20,000 million cubic metres of natural gas will be supplied annually to the socialist countries by a new pipeline from the Yamburg deposit in western Siberia. Besides the Soviet Union, six Council for Mutual Economic Assistance (CMEA) member states will participate in the construction of the over 4,600-kilometre long pipeline. Czechoslovakia, which has recently signed an agreement on cooperation with the Soviet Union, will participate in the overall costs with about 19 per cent. By mid-1988 Czechoslovak workers are to build a 360-kilometre long section, including two compressor stations, from the Czechoslovak-Soviet border towards the east, of which more than 120 kilometres will be constructed in mountainous regions in Ukraine. Soviet natural gas from the Siberian deposit will start to flow to Czechoslovakia at the end of the present five-year plan period, 1986-1990, and in 1995, its annual volume will reach the planned 5,000 million cubic metres. [Text] [Prague CTK in English 1316 GMT 2 Jan 86 LD]

UPCOMING U.S.-USSR ARMS TALKS PREVIEWED

LD022256 East Berlin Domestic Service in German 2110 GMT 2 Jan 86

[Commentary by Horst Kaeubler]

[Excerpts] Listeners, the way the New Year has begun gives cause for hope. Mikhail Gorbachev addressed the American people and Ronald Reagan addressed the Russians. There have been no Soviet and American New Year messages broadcast nationally on television for a long time. Is it to be wondered then that these gestures register worldwide interest, indeed relief and encouragement? Mikhail Gorbachev called for a start to a piece by piece gathering together of the most valuable capital -- trust between states -- at a time when every new step in the arms race poses a risk for both sides, for all of mankind. Life insistently calls for the Geneva negotiations, which must lead to a reduction in nuclear armaments and to a peaceful space, to be crowned with success in the New Year. Ronald Reagan affirmed what the two statesmen spoke about in Geneva for many hours.

A nuclear war cannot be won, indeed there must not be any. Doesn't the wish emerge from these New Year messages to preserve what was achieved at Geneva and to continue the dialogue that has been started? The New Year is in a hurry. The Soviet and American negotiating delegations are to meet in Geneva again in mid-January. It is the first round of negotiations since the Soviet-American summit and everyone recalls the commitment that emerged from it: Namely, to accelerate the coming negotiations to scrap the nuclear means of destruction and to prevent the arms frace from spreading into space.

The differences are still great. While the U.S. President advocated the concept of nuclear defense in space in his New Year message, Mikhail Gorbachev categorically spoke in favor of not expanding one's security through increasingly new weapons systems. The much-quoted change for the better will not come of its own accord. Everything that we call the spirit of Geneva, the hopeful steps in the right directions, had to he snatched in a difficult struggle fro m those who could never warm to the idea of searching for agreement.

The world today has reached a point at which much needs to be thought out again. The Soviet Union -- this is recognized worldwide -- has created weighty factors through its proposals and unilateral initiatives which point the way in which strategic parity at the lowest level of weapons may become a natural condition in relations between the two world systems. A similar approach by the United States is advisable if the Geneva negotiations that again begin in mid-January are truly to take the course which the peoples of the world long for.

SCHUERER MEETS WITH PRC STUDY DELEGATION

AU271504 East Berlin NEUES DEUTSCHLAND in German 21-22 Dec 85 p 2

[Text] Berlin (ADN) -- On Friday [20 December] Gerhard Schuerer, candidate member of the SED Central Committee Politburo and chairman of the GDR State Planning Commission, received a study delegation of the PRC State Planning Commission.

The Chinese planning experts are visiting the GDR within the framework of an agreement signed in July, 1985 by the chairmen of the two countries' central planning organs on intensifying the working contacts between the GDR and the PRC State Planning Commissions.

The sides noted with satisfaction that the bilateral economic relations are dynamically developing to mutual advantage, on the basis of the stipulations adopted between the leading representatives of the two states for deepening cooperation and of the long-term trade and payments agreement for the period up to 1990.

Gerhard Schuerer outlined in detail the implementation of the SED's economic strategy for the 1980's and stressed that in the GDR a well-functioning system of the socialist planned economy has developed with the aid of which it was possible to successfully initiate the consistent acceptance of the policy of intensification. By quoting the 1986 plan targets he pointed out that progress in all sectors of the national economy, and thus the further step-by-step raising of the material and cultural living standards of the people, will depend on how the latest findings of science and technology are becoming quickly effective for economic growth. In this context, Gerhard Schuerer also reported on experiences and results obtained in the GDR regarding planning, correlated targeting, and economic stimulation of the efficient use of energy, raw materials, and other materials.

The head of the Chinese study delegation, Lu Qi, reported on the implementation of economic reform in China through which an important increase in agricultural and industrial production is being achieved. On behalf of the delegation members he expressed his thanks for the opportunity to study the experiences of the GDR in perfecting a socialist planned economy, in central state organs, institutes, and combines.

Also attending the meeting were Harald Rost, deputy chairman of the State Planning Commission, and Liu Qibao, PRC charge d'affaires in the GDR.

TRADE PROTOCOL FOR 1986 SIGNED WITH CUBA

AU271519 East Berlin NEUES DEUTSCHLAND in German 20 Dec 85 p 2

[Excerpt] The GDR will mainly export products of machine building and installation construction, as well as products of electrical engineering/electronics for equipping important Cuban industrial sectors. The exports of metallurgical and chemical products will be continued. Cuba's exports includes mining and agricultural products and electrical engineering/electronics products.

The signing was attended by Horst Soelle, minister of foreign trade, Ramior del Rio Perez-Teran, ambassador of the Republic of Cuba to the GDR, and by Arturo Guzman, chairman of the Cuban State Committee for Prices.

AGRICULTURAL MACHINERY MINISTER INTERVIEWED

LD022334 East Berlin Voice of GDR Domestic Service in German 1705 GMT 2 Jan 86

[Text] Today leading party and state functionaries have been visiting enterprises in various branches of our economy to pass on to the working people best wishes and greetings for the year of the 11th party congress. The 1986 plan was enriched by suggestions and advice from 2.2 million working people. Now these are being implemented.

The constructors of agricultural machinery are included in this. They create good preconditions for good performance in our agriculture. The Progress combine has a good reputation, and not only in the GDR. It includes the VEB agricultural machinery construction enterprise in Guestrow. The minister for the construction of general agricultural machinery, and vehicles construction, Guenther Kleiber, today visited the Guestrow workers.

[Begin recording] [Reporter] Comrade Minister, what impression have you got from Guestrow?

[Kleiber] The Guestrow agricultural machinery construction enterprise, and the working people of the enterprise are entering 1986 well-armed. First of all, they have concluded 1985 with good results. I am thinking of rates of increase in net production of 119.6 percent, in labor productivity of 118 percent. They have concluded all plan sections with good results. They are setting themselves demanding targets for 1986, particularly in preparation for the 11th party congress -- in the first quarter, with increases in net production again around 120 percent; labor productivity -- that is they are following the path of intensification -- that is very good, [as heard]. I would like to say that in all areas where I have spoken to the workers they are well prepared, in the area of research and development, where the enterprise's 400 college and technical college cadres have prepared well, this is seen in the example that they plan to put a new product into production on the eve of the party congress, the P-038 fertilizer-spreader, a high-value product of very good quality and international standard which has brought many patents to the enterprise. It is a product that is needed in our economy, in our agriculture, to help successfully solve the major tasks that agriculture faces. But good targets have also been set in the area of the construction of rationalization equipment, high rates of increase, increases to 122 percent.

This is simply necessary in order to implement the path of intensification in this enterprise successfully, among other things through production management with the help of office computers, for example in roller chain production, so that fulfill their targets daily, or per shift as the working parameters. That is a significant element of our future work. It is also very nice to hear that the requirements for the Guestrow enterprise range for 1986 are covered both for (?machinery) production and for spare-parts production, and that certain capacity can be tapped for export, so that the roller chain manufacture is a very stable production here, which guarantees, with proper preparation, a constant daily production from the very first day on.

[Reporter] The Ministry for Construction of General Machinery, Agricultural Machinery and Vehicles, of which you are minister, is faced in 1986 with large increases in performance, as can be seen from the economic plan. Labor productivity, for example, is due to rise by 8.7 percent. Comrade minister, what is required from agricultural machinery construction in particular in the party congress year?

[Kleiber] Our agricultural machinery construction sector is faced with the question within our republic of making products available to socialist agriculture which will enable it to continue the good results of 1985 in 1986. In all modesty, we are of the opinion that through good technology we have contributed, hand-in-hand with our cooperative farmers, toward securing this good harvest. It is a matter of honor for us to continue this, also with new products.

We are making more technology available to socialist agriculture in accordance with the decisions of our party leadershop and government. Of course, we also have higher export targets. But we have the kind of rates of increase in performance that you mentioned at the beginning so that we can do justice to these damands. We want to do this, we are doing this, and most of all we are setting ourselves the target on the eve of the party congress to exceed these tasks in order to make a good contribution in performance in preparation for the 11th congress [end recording]

HONECKER SENDS ANNIVERSARY GREETINGS TO 'ARAFAT

LD311100 East Berlin ADN International Service in German 0314 GMT 31 Dec 85

[Text] Berlin, 31 Dec (ADN) -- On the occasion of the 21st anniversary of the start of the Palestinians' resistance, Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State has conveyed a greetings message to Yasir "Arafat, chairman of the Executive Committee of the PLO and supreme commander of the armed forces of the Palestinian revolution. The consistent support of the GDR for the just struggle of the Palestinian people and their only legitimate representative, the PLO, for the realization of their national rights, particularly their rights to their own independent state, is reiterated.

HONECKER GREETS FRENCH COMMUNIST PARTY

LD281047 East Berlin ADN International Service in German 0303 GMT 28 Dec 85

[Text] Berlin, 28 Dec (ADN) -- The French Communist Party [PCF] has consistently proved itself as a purposeful champion of the social and national interests of the working class and all French working people. This is stated in a congratulatory telegram to mark the 65th anniversary of the founding of the PCF signed by Erich Honecker, general secretary of the SED Central Committee.

In line with existing conditions and national traditions, the PCF worked for the protection of the basic vital interests of the working people, for the safeguarding of peace, for the uniting of all democratic forces in the struggle for social progress. "Throughout their history the French Communists have always been champions of peace and disarmament," the message from the SED Central Committee adds. "Today they make an important contribution to eliminating the threat of a nuclear inferno brought about by the most aggressive circles of imperrialism and achieving a switch to disarmament and international detente. Out two parties are united by the joint stance that it is now necessary to halt the arms race on earth and prevent it spreading to space through intensified efforts by all peace forces."

"The German and French Communists, the SED and the PCF, have for decades been linked by a tried and tested, close militant alliance," the telegram states. The SED will do everything to further strengthen the ties of internationalist solidarity and fraternal cooperation for the protection of peace. "We are thus also making an important contribution to deepening cooperation between the GDR and the French Republic and to friendship between our peoples."

COUNCIL OF MINISTERS DISCUSSES SCIENCE RESEARCH

AU271338 Budapest NEPSZABADSAG in Hungarian 20 Dec 85 p 3

[Text] The Council of Ministers dealt with two closely interrelated issues within the framework of the agenda: the proposal on the National Medium Term Research-Development Plan (NMTRD) connected with the Seventh 5-Year Plan, and the proposal concerning the modernization of the central guidelines of research and development; both proposals were submitted by the government's scientific-policy committee.

The discussion of the second NMTRD has also become timely because we have arrived at a "changing year": the previous NMTRD ended the same way as did the 15-year National Long-Term Research Development Plan, and the CEMA approved in its latest session the decision on technological development up to the turn of the century.

The Council of Ministers' position is that scientific research and development should be given relative stress in the plan period beginning with 1 January; this is a considerable change compared to the Sixth 5-Year Plan. This relative stress is reflected in the size of material sources, in investments, and in the foreign currency funds. The economic restriction introduced in the Sixth 5-Year Plan period greatly affected the sphere of research and development, particularly the purchase of instruments used in the field of basic research and investments. As a result of this situation, we used to lag behind the most developed countries by 5-8 years, but now it is 12 years.

A very important institution in the sphere of basic research will be the National Scientific Research Fund which will allocate 3.8-4 billion forints for basic research in the coming plan period (on the basis of proposals submitted by two qualified researchers). The general secretary of the Academy of Sciences will decide, according to the opinion of the interministerial committee, on the use for this fund but this does not mean that the fund can be used only to finance basic research conducted by the academy.

The NMTRD approved by the Council of Ministers contains nine programs aimed at the implementation of the most important national economy goals, (compared to the previous 14), and one basic research program. All the programs are connected to economic development programs starting in the Seventh 5-Year Plan (like saving energy and materials, and electronization). Two programs deal with biological research, basic research and a biotechnological program. The question is which four social science programs will get into the NMTRD, and this will become a political position in the near future. An important aspect of the NMTRD is that it is an open program: new programs can be accepted or outdated programs can be eliminated. A total of 18-19 billion forints is at the disposal of the NMTRD from central state sources; 4 billion forints from this is the budget allocation which also contains the funds allocated for social science programs.

The Council of Ministers also discussed issues of scientific organization and guidance. This refers primarily to the first (or upper) "step" of national scientific guidance.

Thus, the position of the Council of Ministers regulates, among other things, the sphere of authority of the Hungarian Academy of Sciences, the Committee on Science Policy, and of the National Technological Development Committee. The academy was given a clear-cut responsibility in guiding basic scientific and social science research projects; the National Technical Development Committee was given the responsibility of working out government-level national research-development plans, regulators, harmonizing international relations, developing research networks, shaping the infrastructure, and in taking care of the system of information. The committee on science policy must pay greater attention to making proposals taking initiative and supervisory tasks at the expense of the previous operative activities. The government decided on the members of the committee and on placing the subcommittees of the science policy committee under the supervision of other authorities.

NEW YEAR'S PROGRAM SATIRIZES ENERGY, TAX ISSUES

LD030346 Budapest Domestic Service in Hungarian 2100 GMT 21 Dec 85

[The "New Year's Eve Cabaret" program]

[Excerpts] [First unidentified man] Good morning.

[Second unidentified man] Good morning.

[First man] What are you reading?

[Second man] I read in KEPES UJSAG that a house burned down.

[First man] Why did it burn down?

[Second man] Because the fire brigade arrived too late.

[First man] Why, where were they?

[Second man] Maybe at a fireman's competition.

[First man] Lucky inhabitants!

[Second man] What do you mean?

[First man] At least they had one good fire in their house!

[Second man] Why, haven't you got any coal either?

[First man] Oh yes, I have.

[Second man] And how did you manage to get it?

[First man] I paid a ton for every hundredweight.

[Second man] I used oil heating, but for years the state tried to get me to convert to coal. So I did. So why isn't there enough coal now?

[First man] Well, perhaps the state didn't expect you to believe it.

[Second man] And what are you reading?

[First man] New new income tax regulations. The lady next door asked me to see how much tax you pay after 5 million [currency not specified] per annum.

[Second man] What is the lady's occupation?

[First man] Refuse scavenging.

[Second man] And you are looking in the 5 million column?

[First man] You shouldn't underestimate refuse scavengers.

[Second man] When Harold Wilson was England's prime minister a photograph appearded showing him darning socks. And what do you think was people's reaction?

[First man] Well, that they have such a simple, modest, hard-working prime minister.

[Second man] Baloney! They sent a lot of outraged letters saying they do not pay taxes in order that their prime minister should spend his valuable time in such an idiotic way.

[First man] Well, you see, that is the sense of ownership. If I pay taxes than I become a share-holder in the state, therefore I can also make demands.

[Second man] Aha, now I understand why the council members collecting for "teho" [abbreviation for settlement development contribution] were chased away at Bekasmegyer.

[First man] Why?

[Second man] Because the people of Bekasmegyer haven't got a proper sense of ownership yet.

[First man] But I still don't understand why people make such a big fuss about 40 forints a month.

[Second man] Well, look here. My monthly income is 8,000 forints. Of this, 4,000 goes for food, 2,000 for clothing, 1,900 for household costs, and the trade union also taps me for 60 forints. So that leaves me 40 forints a month for drinks, women, cards and horse-racing.

[First man] The other week an American millionaire wanted to buy several hundred thousand dollars worth of porcelain from Hollohaza; they couldn't get into the warehouse because they couldn't find the warehouseman.

[Second man] Why, where was he?

[First man] I don't know; perhaps at a warehouseman's competition.

[Second man] Well, at any rate our dollar exports this year developed very unfavorably. For 10 years this small country has been on a razor's edge. Take this year alone: drought, frost, floods, earthquakes. And then there are all the industrial branches: recession, inflation, diminishing support, increasing deductions, energy problems, worsening terms of exchange. And still, when Comrade Marjai listed all these things before the leaders of industrial enterprises -- you saw it too on the TV newsreel -- how calmly, smilingly all those directors sat there.

[Announcer] In our country there are big incomes, and small incomes. There are those who find it very easy. Now, towards the end of the eighties, this is very changeable.

[Unidentified reporter] How much do you have to live off per month?

[Unidentified "man in the street"] I don't live off anything. The wife has it all. I just look at the money from afar.

[Unidentified woman in the street] When we get our pension we get 120 forints. I don't even know what it's for. Often we don't even spend it. [Huge roar of laughter]

[Announcer] We also asked an average person in the street: Excuse me, do you live off your wages?

[Unidentified woman] From my wages? [laughing heartily, can barely get the words off] From my monthly wages? [audience laughter and applause]

[Announcer] Now in winter nothing is more important to us than a nice warm room and a cellar full of coal. So, what is it that is on the whole the most important to us? That which we don't have. [Laughter] The lack of a color TV or of paprika only makes one part of the day bitter. But if there is no coal then my whole day is ruined. And it seems that in the matter of coal the situation is warm once again; the mood is over-heated. As my neighbor said when, upon reading the room thermometer, his blood ran cold: I would be willing to put my hand in the fire for a bit of coal. A person in this country who has foresight will buy paprika in the autumn for the whole year ahead; in winter he will buy the beer for the summer; in the summer he will buy the coal for the winter; and in the spring he will take a breath. [Pun on the verb "vesz" which means both "buys" and "takes"]

[Announcer] Here I have the latest news on coal. A madman was led away from a doctor's office after he tried to get a prescription for three hundredweight of coal tablets for his family.

LEADERS SEND ANNIVERSARY MESSAGE TO CASTRO

LD301805 Budapest MTI in English 1729 GMT 30 Dec 85

[Text] Budapest, December 30 (MTI) -- On the national day of the Republic of Cuba on January 1, Janos Kadar, general secretary of the Hungarian Socialist Workers' Party, Pal Losonczi, president of the Presidential Council of the Hungarian People's Republic, and Gyorgy Lazar, chairman of the Council of Ministers, sent a telegram of greetings to Fidel Castro, first secretary of the Communist Party of Cuba, president of the Council of State and the Council of Ministers of the Republic of Cuba.

The telegram runs:

We remember with sincere respect that the Cuban people took control of its fate and started the construction of a new society 27 years ago and since then it has achieved consideralbe results in social, political, economic, cultural and scientific fields, under the leadership of its party.

The resolute internationalist foreign policy of the Republic of Cuba, which efficiently strengthens international peace and security and the cause of socialism and social progress, deserves respect and honor.

We are satisfied that the fraternal friendship of our governments and peoples, based on Marxism-Leninism and internationalism, successfully serves the interest of our countries and peoples. On the anniversary of your revolution we heartily wish you and the Cuban people further success in the development of you country and in your peaceful construction work.

On the occasion of the anniversary Istvan Sarlos, president of the National Assembly, has cabled his greetings to Flavio Bravo, president of the National Assembly of People's power. The National Council of the Hungarian Patriotic People's Front, the Central Council of Hungarian trade unions and the Hungarian Communist youth union also congratulated partner organizations.

BRIEFS

VISA RULES WITH SWEDEN RELAXED -- Compulsory visa holding will end with the 1 January (1986) between Hungary and Sweden. Hungarian and Swedish subjects may stay in the other country without extra permission. The stay may be 90 days long. Hungarian subjects must include in these 90 days time spent in Denmark, Finland, Iceland and Norway as well as the time spent in these countries 6 months prior to the travel. Travel to Sweden in the future may only be done with a valid passport, while for settling down or for taking up employment, a visa must be requested. Hungarian citizens possessing Swedish passports and having left Hungary, without permission, before 22 March 1963 continue to need a visa to enter Hungary. [Text] [Budapest Domestic Service in Hungarian 1730 GMT 29 Dec 85 LD]

JOINT VENTURE LICENSING -- Budapest, December 28 (MTI) -- On January 1, 1986 the licensing system of joint ventures in Hungary is to become simpler with some changes in taxation. Hungarian and foreign firms have been allowed to set up joint ventures in Hungary since 1972. The persent changes are intended to encourage new ventures that help raise the technological level, streamline work organization and produce exportable goods. Previously the parties had to apply for a licence to start preliminary talks. From now on only the foundation will subject to licensing. As joint ventures were granted a tax allowance on consideration of each individual case founders were not able to take it into account. In future the conditions under which the allowances will be granted automatically will be made public in advance. The priorities of national economy will be declared and if a venture meets terms laid down in the regulations, it will be granted tax exempiton for five years. [Text] [Budapest MTI in English 1730 GMT 28 Dec LD]

GORBACHEV, REAGAN ADDRESSES 'GOOD SIGN FOR 1986'

LD021301 Warsaw Domestic Service in Polish 1105 GMT 2 Jan 86

[Andrzej Zychowicz commentary]

[Text] This year has been proclaimed the International Year of Peace by the United Nations. However, this will be an unjustified announcement if East-West relations remain stagnant. The messages of Reagan and Gorbachev prove that the process which began with the Soviet-U.S. summit inGeneva will be continued and, moreover, that this year may even bring the first agreement limiting the nuclear arms race.

Of course, one cannot prejudge the course of events. Both sides are still separated by a wide and difficult space, as Mikhail Gorbachev said. But the Geneva talks were proof that these differences can be overcome. This certainly calls for a rebuilding of international trust, especially for the return of trust in relations between the Soviet Union and the United States -- as Mikhail Gorbachev said, between the states whose duty it is to provide a peaceful prospect for mankind. Also, President Reagan pointed out in his address that an attempt had been made in Geneva to reduce mistrust and suspicions between the two states.

The aim of Soviet policy is not to disappoint the hope that the world associates with the Soviet-U.S. dialogue. We will work for this aim without sparing any effort, Mikhail Gorbahcev said in his address.

Both addresses are a good sign for 1986, a year which may be recorded by history as the year of an important breakthrough.

USSR'S ANTONOV VISITS UPON OPENING OF NEW PLANTS

Attends Commissioning Ceremony

LD022245 Warsaw Domestic Service in Polish 1900 GMT 2 Jan 86

[Text] On the first working day of the new year after a period of equipment tests, two modern metallurgical plants were put into commission in the department of rail heat treatment in the Katowice steelworks in Ruda Slaska. Both investments were finalized thanks to credits and aid from the USSR. These projects were halted in 1980 because of the well-known difficulties in our economy.

Taking part in the commissioning ceremony of the new plants were representatives of the USSR and Polish authorities, Deputy Premiers Aleksey Antonov, Zbigniew Szalajda, and Wladyslaw Owiazda.

Received by Messner

LD022156 Warsaw PAP in English 2002 GMT 2 Jan 86

[Text] Warsaw, Jan 2 -- Chairman of Poland's Council of Ministers, Zbigniew Messner met here today with Soviet Vice-Premier Aleksey Antonov to thank him for the Soviet loans that made possible the completion of a sheet-metal department at the "Pokoj" steel mill (?and the) rail heat treatment plant at the "Katowice" steel mill.

The sides reviewed the state of economic cooperation between Poland and the USSR and positively assessed the development of mutual trade exchange. Premier Zbigniew Messner also underlined the great significance of increased supplies of numerous Soviet marketables to Poland last year.

The sides stressed with satisfaction that the progress accomplished last year constitutes a good base for further tightening of cooperation, such as direct cooperation between factories, creation of joint production enterprises and implementation of jointly outlined cooperation targets in the field of science and technology.

ORZECHOWSKI ON DOMESTIC AFFAIRS, U.S. RELATIONS

LD311453 Warsaw PAP in English 1418 GMT 31 Dec 85

[Text] Warsaw, Dec 31 -- The daily TRYBUNA LUDU carries an interview with alternate member of the PUWP CC Political Bureau, Polish minister of foreign affairs, Professor Marian Orzechowski who stated among others:

"We already have the most difficult period behind us. Attempts to politically boycott Poland ended in a fiasco. Calculations for destabilization of Poland's internal situation, for deepening of our socio-economic difficulties also failed. Economic restrictions as well as attempts to interfere in our internal affairs did not bring expected results.

"Vital and positive factors took place in our relations with the developing states. We constantly aim to expand them. Cooperation with that group of states is mutually beneficial and we see considerable possibilities for deepening it.

"It should be assumed that basic priorities of our foreign policy will remain unchanged. Allied relations of friendship and comprehensive cooperation with the Soviet Union always were, are and will be the corner stone of our policy.

"Consolidation of ties and relations with other fraternal socialist states is the groundwork of our state's security and a condition for favourable implementation of national goals and aspirations."

"The November Geneva meeting between CPSU CC General Secretary Mikhail Gorbachev with President Ronald Reagan was one of the most important political events of the passing year. We are glad that the world closes the first half of the 1980's, which was characterized by increase of tension, with this positive accent. We share the widespread hope for sanctifying the situation, restoring detente. However, we look at the chances of this in a realistic way and without illusions.

"The December meeting between Wojciech Jaruzelski and Francois Mitterrand was an especially vital event in bilateral relations of the past years. Certainly it did not remove all of the difficulties in mutual relations but, I think have broken the barrier of still existing prejudice. Our desire is to translate the contents and atmosphere of the meeting into practical language. We hope that the French side is guided by similar intentions."

"I think that by taking up our initiative, the French side appreciated not only the progressing stabilization in Poland and the positive results of democratization processes in our social and political life but also the important role which Poland and France can play together and apart for the good of detente and peaceful shape of Europe.

"Also the improvement of Polish-American relations is in the interest of both states as well as in the broader interest of East-West relations. Many times, Poland has declared its interest in that improvement, to be followed by a full normalization of Polish-American relations. We are of the opinion that this is possible and requires only the departure of the United States from the hitherto unfriendly policy pursued towards Poland, observance of universally binding principles of sovereignty and non-interference. This should be helped by the new climate created in result of the Geneva summit.

"Summing up, what we would wish for ourselves in Polish-U.S. relations in 1986 is precisely a realistic approach of the U.S. Administration towards Polish issues."

PAPERS WARN OF 'OPEN CONFLICT' WITH GOVERNMENT

AU311438 Paris AFP in English 1431 GMT 31 Dec 85

[Text] Warsaw, Dec 31 (AFP) -- Two Polish newspapers today warned that despite the current calm in Poland, there were still "contradictions" that could lead to a new "open conflict" between the government and the population.

The warnings to the Polish leader Wojciech Jaruzelski appeared in the Communist Party paper TRYBUNA LUDU and the Warsaw daily ZYCHIE WARSZAWY.

TRYBUNA LUDU criticised the government because a large section of Polish society "consider that they have no influence on the way they are being governed."

It said a majority of ordinary workers "remain distant from the main national problems" because "nobody asks their opinion".

ZYCIE WARSZAWY said agreement was possible only with a "national concensus" and that it would be wrong to think this "already been achieved because the conflicts have been wiped out".

General Jaruzelski has often hailed Poland's "normalisation" after a period of social and political unrest he blamed mainly on the banned Solidarity union and its leader, Lech Walesa.

The Warsaw paper said agreement "must not be limited to declarations by the political elite (but) must be a public process to reach agreement between all Poles."

Analysts here said ZYCIE WARSZAWY'S support of a "consensus" was also widely aired by Mr Walesa, who has called for new contacts between Solidarity and the government.

ZYCIE WARSZAWY also warned against a new "wave of claims" by workers, saying this could be defused by a national agreement before turning into a conflict.

GORYWODA ON 1986 ECONOMIC PLAN AT 23D PZPR PLENUM

AU301156 Warsaw TRYBUNA LUDU in Polish 21-22 Dec 85 pp 4-5

["Report of the Council of Ministers on the 1986 Plan" presented to the 20 December Warsaw session of the 23d PZPR Central Committee Plenum by Vice Premier Manfred Gorywoda, chairman of the Planning Commission]

[Excerpts] Esteemed comrades, in 10 days we will complete the implementation of the 3-year national socioeconomic plan. This implementation was to take the national economy out of its thorough breakdown in 1980-81. The main purpose of this plan was to meet the people's basic needs in food and staple consumer goods.

Three years ago this is how we formulated the basic goals and tasks of our economy under the conditions then existing.

Today, even without the need for profound analyses, everyone who takes an objective view of our socioeconomic reality must acknowledge an obvious and tangible progress in the accomplishment of our goals.

Statistics also confirm this, and if we compare our plan with our results we can clearly see that most of our tasks in material production will be fulfilled -- some of them even overfulfilled -- despite this year's difficulties.

For example, the 3-year plan provided for a 10-12 percent increase in national income, but we expect it to increase about 15 percent.

Industrial production will increas about 16 percent, which is the upper limit of the plan. Total farm production will increase about 10 percent as compared to the 9 percent laid down by the plan.

Construction will increase 17 percent instead of the planned 12 percent; and housing construction will reach the upper planned target.

It is worth stressing that production was increased mainly through better exploitation of the qualitative factors of increases. For example, the increase in industrial production was exclusively achieved by increased productivity. Initial estimates indicate that the material intensiveness of industrial production was reduced in the 3-year period by about 6.3 percent and the energy intensiveness of this production was reduced by about 5.5 percent. To this we should add the increased militancy of a large number of managers and work forces who continue to exploit the opportunities provided by economic reform.

The increase in production, estimated at 13 percent, made it possible to increase consumption, whereas the 3-year plan provided for a 9-11 percent increase.

These positive features go hand in hand with inadequate progress in some areas of the economy, especially with regard to the rate of restoring our economic balance in money-market relations and in investments,

The unfavorable development of the money-market situation was primarily caused by the considerable outstripping of the planned increases in the population's cash incomes. It is estimated that the average wages that were expected to increase 57 percent in the 3-year period will increase about 71 percent, which helped to boost inflation. To save the market balance it was necessary to resort to price movements in excess of the plan.

Caution in this regard dictated by social reasons was responsible for the fact that we are ending the 3-year period with a shortage of goods, and with a market that is not fully balanced, although it is incomparably better than in 1982 when the 3-year plan began.

The inflation rate in excess of the plan continues to weaken people's awareness that general conditions have actually been improved. Relatively high inflation is socially all the more troublesome since it continues to assert itself under conditions of a shortage of many goods. Nor is it possible to ignore the fact that nominal incomes are not uniformly proportional for everyone. In effect, high inflation may even mean periodical reduction in real incomes for some groups of the population.

Despite the fact that stricter rules have been issued to govern the fiscal situation of enterprises, it has not been possible to effectively stem investment outlays in excess of the plan. Under conditions of large investment needs and a generally low investment level, the very fact that planned investment oulays were overstepped would not be regarded as wholly negative if these excessive outlays helped to raise the effectiveness of investments helped to shorten the time in which practical results are obtained, and to sort out the investment program. But this was not the case. Demand for investments outstripped the potential of the necessary materials and labor. This resulted in the dispersal and increased freezing of funds, which was a crucial inflationary measure.

Our country's rapidly growing demand for consumer goods and investments continues to weaken the effectiveness of incentives that favor export. It is true that overall export tasks will be fulfilled and even overfulfilled to some extent, but we will be unable to achieve the planned increase in exports to the capitalist countries. That is why we will be less able to meet the demand for imports and to restore external economic balance.

The 1986 Central Annual Plan makes allowances for the results of the implementation of the 3-year plan, including the incomplete implenentation of our tasks involved in balancing our Economy. This last aspect of the 3-year plan makes our tasks in 1986 and the following years very complicated.

Achieving the planned increase in exports and intensifying our cooperation with the USSR and other socialist countries will be of special significance for our successful accomplishment of the 1986 tasks. Our exports to the socialist community countries should increase over 8 percent and should reach the value of over R10 billion. The increase in the export of goods included in the prodution specialization and cooperation accords should be especilly dynamic.

Our goods exported to the convertible currency markets should bring us about $6.4 billion, which would be almost 5 percent more than in 1985, and should exceed the value of our imports by at least $1.5 billion. This is most necessary so we can honor accords on the rescheduling of our debts, assuming that our creditors will take constructive action in favor of fully normalizing fiscal and credit relations with our country.

In order to increase the interest of our enterprises in developing exports and raising their effectiveness, we will introduce new solutions and improve the existing economic instruments. The present concessions in income taxation will be greatly differentiated, depending on the sophistication of goods and the effectiveness of exports. This was one of the demands generally put forward during discussions to date. Those who export highly profitable, sophistication product will be able to claim greater concessions than hitherto, but those who export less sophisticated products of low profitability will have their concessions reduced. The system of wage increases has been adjusted to include the greater labor intensiveness of export production.

In 1986 we will experiment with the allocation of ruble funds and the automatic allocation of convertible currencies to the tune of 10 percent of the value of export to the enterprises that engage in export for the first time. This should help increase the number of exporting enterprises.

We have great hopes for the planned establishment of the export development bank, which will back modernization initiatives and undertakings which should result in increased export.

The main tasks of the 1986 investment plan are aimed at ensuring that continued investments are completed effectively and on time and that the share of modernization investments to counter the depreciation of fixed assets and to promote thrifty economic management is increased. This calls for maintaining the limits on new investments, mainly construction investments.

The measures adopted for 1986 and the following years in the field of running the investment process will help to concentrate the funds and to use them for the most effective projects. The government attaches great importance to increasing the role of bank loans in financing investment undertakings.

This should result in the greater discipline and effectiveness of investments. Other factors instrumental in raising the discipline and effectiveness of investments include the possibility of taking advantage of concessions concerning amortization payments into the state budget on account of investment projects that require short cycles of implementation.

To facilitate the concentration of investment funds, the enterprises will be allowed to issue bonds, and changes will be made in organizing and financing joint undertakings. This should make it possible for efficient and enterprising plants to accelerate their development and for the local authorities to accumulate the plants' funds in their areas in order to finance various undertakings, especially those that meet joint needs.

Effective solutions to the problems facing us and the removal of development barriers are only possible through accelerating scientific-technological progress. In order to create the necessary conditions for this, in 1986 we want to considerably increase the funds for science and technological progress. These funds will increase by more than one-third, and their share in the national income will go up from 1.8 percent in 1985 to almost 2.2 percent in 1986. This is in line with the resolution adopted by the 19th Central Committee Plenum.

In order to ensure rational use of funds for scientific-technological progress, which are to increase to such a considerable extent, a number of new organizational solutions and principles of financing research and the practical implementation of its results will be introduced in 1986. The central management of scientific and technological development will be extended through a system of central tasks and other measures, which will be closely related to the lines of the country's socioeconomic development. In order to improve research and practical activities connected with it, a central fund for aiding such activities and a central convertible currency fund are envisaged.

The Committee for Science and Technological Progress and the Office of Scientific-Technological Progress and Practice will play leading roles in administering these funds.

Further action will be taken in order to improve production quality. Among other things, we propose to verify several hundred norms of quality on the basis of international standards and to correct the control of quality norms.

The Polish Committee for Standardization, Measures, and Quality will specify the goods, including cooperative production goods and manufacturing materials, the further production of which will be allowed only if their quality is improved.

We should bear in mind the familiar truth that the effectiveness of all solutions depends on their construction as well as on the enterprising spirit of managers, self-management bodies, and work forces, as well as on one's readiness and skill to take advantage of one's self-dependence in solving various problems and promoting novel and original projects. In a word, only the combination of institutional systems determined by central decisions, and of the well organized efforts of the implementors of the plan may guarantee its realization.

CAUSES OF STATE BUDGET DEFICIT EXAMINED

LD300021 Warsaw Domestic Service in Polish 1105 GMT 29 Dec 85

[Jerzy Kowalski commentary]

[Text] Today we are going to look into the state coffers with editor Jerzy Kowalski. From Sejm session publications, we know that there is a shortage of Z150 billion in the coffers.

Can it be called a cash shortage [manko]? A cash shortage occurs when people do not follow regulations too closely. [as heard] Let us call that which the Central State Budget is experiencing a deficit; the cause of this deficit is the inefficient management and implementation of the economy. The deficit is not a new phenomenon; it has been with us for over 5 years. It is estimated that next year it will be Z151 billion. I have calculated that if we took those green notes with Chopin's picture on them and laid them end to end, we would need a field with an area of 150 hectares. [as heard] This is the scale of the deficit: Z8,000-9,000 for each working Pole.

We should now consider the causes of this deficit, because the answer -- ineffective management -- tells us little.

Next year state budget expenditures will have to increase by Z586 billion in relation to this year. The budget will be earmarked for subsidies for goods and services for the population, and for price subsidies. It aims to halt price increases.

Let me now discuss expenditures for social and cultural objectives, social insurance, investments, and for wage increases in the budgetary sphere.

As all listeners employed by the state know, state salaries lag behind those of people who work in the production sphere. This should be slightly corrected. I say slightly, because I remember what was once said in the Sejm by the minister of finance on defining fields in which saving is possible. Quote: We also consider it possible to reduce expenditures on budgetary units [as heard] to the level of 70 percent of price changes, unquote. What does this mean? They get an increase, but not as much as was taken away by inflation. There is a principle that savings required in a deficit situation cannot limit the basic needs for the development of the national economy.

Now we come to certain gradations of expenditures: Which are important and which are not? If we try to deal with this, however, we will be lost, because everybody has a different opinion.

There is something more important which almost went unnoticed: The share of expenditures for national defense this year amounts to 7.9 percent and will be reduced in 1986 by one-third of 1 percent.

Everybody probably knows the main sources of income for the state budget, but let's go through it.

The largest source is the turnover [as heard] tax: Z 1.36 billion. Note that with a 3.1-3.4 percent increase in national income next year this tax is to increase by 19 percent. Let us hope those who pay the tax will have something to pay with.

Who pays the tax? Primarily socialized enterprises do the paying; budgetary incomes from private enterprises are minimal: 3.3 percent in all.

One theory is: The state budget can be quickly balanced. It would be enough to considerably reduce subsidies; let prices go, and increase the turnover tax. But this is a delicate issue and social sensitivity is enormous. Thus, the only way to achieve a balanced budget is to find ways for more effective work.

Let us look to that part of the central coffers where there are green notes but not with Chopin's picture on them. [as heard] The balance of payments in transferrable currency for 1986 will provide an excess of income from exports over import expenditures to the tune of $1.5 billion. [denomination as heard] It will not be enough to slow down the growing debts, which will jump from $29.2 billion to $30.5 billion.

We have not even earned enough to pay the interest. We will not earn the estimated rate, just as we did not do this year. Thus, debts will grow.

In addition, in our turnover with socialist countries our debts will increase from 5.6 billion to 6.3 billion rubles.

Let us look to the last corner of the coffers, the budgets of peoples councils: These will be fully balanced. Councils' own incomes will cover only 90 percent of their expenditures; the rest will come from the central budget. I hope that we will see a year when through good management the people's councils will be able to cover their own expenses.

A determined effort to reduce subsidies, apart from consistent introduction of economic reform principles, is probably the most important task for economic activists in 1986. Budgetary deficits must be strongly combated.

PZPR DELEGATION MAKES WEEK-LONG VISIT TO SPAIN

AU181317 Warsaw TRYBUNA LUDU in Polish 16 Dec 85 pp 1, 7

[Text] PAP -- A PZPR delegation headed by Henryk Bednarski, PZPR Central Committee secretary, spent a week visiting Spain at the invitation of the Communist Party of Spain [PCE]. Among its members the delegation, which visited Madrid, Barcelona and Seville, included Albert Kosowski, PZPR Central Committee member, and Stanislaw Jarzabek, representative of the PZPR Central Committee Foreign Affairs Department.

The delegation took part in the 9 December celebrations to mark Dolores Ibarruri's 90th birthday at the palace of sport in Madrid.

H. Bednarski delivered a letter containing birthday greetings to Dolores Ibarruri from W. Jaruzelski, PZPR first secretary, and decorated the president of the PCE with the PPR great sash of the order of merit during a ceremony which was attended by:

Gerardo Iglesias, general secretary of the PCE Central Committee; Simon Sanchez Montero; Irene Falcon, PCE Central Committee Executive Committee member; and other members of the PCE leadership.

Talks were held between delegations from both parties. The PCE delegation was headed by Simon Sanchez Montero, Central Committee Secretariat member and chairman of its international commission. There was a frank and wide-ranging exchange of views on the siutation in Poland and Spain, and on matters concerning the activities of both parties.

During visits to Catalonia and Andalucia the delegation was received by Antoni Gutierreza and Felipe Alcaraz, the general secretaries of those regional party organizations. The delegation also visited many institutions and places of cultural and historical interest. Meetings with local party organizations were also held.

At the end of the visit the PZPR and PCE delegations positively assessed the course and outcome of the meetings and talks and expressed the conviction that regardless of differences on both sides, the further developmentof relations betweeen the PZPR and the PCE is essential.

HARD-CURRENCY 'PEWEX' SHOPS SUCCESSFUL

AU011417 Paris AFP in English 0916 GMT 1 Jan 86

[Dominique Garraud report]

[Text] Warsaw, Jan 1 (AFP) -- Hundreds of thousands of lucky Poles can indeed buy luxury goods, and bypass the sparse shelves and long lines of state shops, but there is a hitch: Their own currency will not be accepted. The first such hard-currency shop, called a "pewex," was opened 11 years ago. Today its yellow lettering on a blue background adorns 634 shops throughout the country, even in the remotest villages near the Soviet border where no other shopkeeper would dream of opening.

Pewex is the Polish contraction for "enterprise for internal export," a phrase which must startle many Western economists, but which is readily accepted here as a burgeoning sales formula. Its success derives from making each pewex shop a tiny enclave of Western treasures, but there is one vital condition, not always easy to accomplish -- payment must be made in hard currencies, preferably in dollars, or in the pewex' own money, whose value is equivalent to the dollar. For pewex does not like Poland's Zloty, and shows it openly by fixing the official rate of its "pewex unit" of currency as worth 600 zlotys, corresponding to the dollar's black market value. Every Pole knows that the official dollar rate is 150 zlotys, so that one must pay four times this sum to obtian a blackmarket greenback. Poles with these magic banknotes can buy all those items of which there is a shortage in ordinary shops, or whose quality is poor.

Pewex sells excellent cigarettes, alcohol, coffee, tea, toys, domestic electrical appliances, home computers, clothes, cars and tractors and even spare parts for them. A crowd of customers, despite freeezing cold weather, queued for hours outside pewex shops over the Christmas and new year period to find toys for their children or perfume for thiir wives and girl friends. The busiest counter was the one selling alcohol, particularly vodka. For vodka, a big Polish export, is in fact cheaper in the pewex shops, at 1.50 dollars (1.25 pounds) a bottle, than in the ordinary shops.

But as it is paid for in dollars, vodka's annual sales in pewex ships averaged out at 400 million dollars (333 million pounds) in 1985, or over two billion dollars (1,660 million pounds) in their 11-year existence.

The government does not look too closely into where the pewex black market dollars come from, for the government takes 55 percent of the profits. These help to modernize Poland's industries and to pay its external debt of nearly 30 billion dollars (25 billion pounds). Official statistics shows that Poland's state banks have a total of 1.2 billion dollars, but observers estimate that private individuals hold as much as 10 billion dollars, much of it being sent in to their relatives by the millions of Poles living in the West.

Pewex managing director Marek Pietkiewicz, like any Western businessman, is proud to reveal that his profit markup ranges from 40-120 percent, according to the item. He told the magazine POLITYKA recently that his motto is "offer our customers goods at reasonable prices, while paying our backers (the government) in hard currency." His ambition is to open a pewex Western-type supermarket in Warsaw.

The big question is how a Pole with an average monthly salary of 18,000 zlotys (120 dollars at the official rate) can expect to shop at pewex. In some cases, the explanation lies in the largesse of relatives abroad.

MINERS', STEELWORKERS' 1985 ACHIEVEMENTS ASSESSED

LD311238 Warsaw Domestic Service in Polish 0600 GMT 31 Dec 85

[Text] [Announcer] As usual, toward the end of the year, we review our achievements. The past year was a successful one for, among others, the miners. Here is our Katowice correspondent Andrzej Kotulewski:

Including today's output, this year's extraction of hard coal will amount to 191,642,000 tons -- 50,000 tons more than a year ago. One should remember that this year, in comparison with the past year, had 2 less working days, during which, on the average, the miners extracted over 637,000 tons of hard coal.

[Announcer] Very good results were attained by lignite mine crews. Steelworkers, on the other hand, place this past year among the very difficult ones. They will not fulfill plans for the production of pig iron, steel or rolled products. The greatest difficulties, caused first and foremost by a shortage of gas and oil, were experienced by the Labedy foundry, though other enterprises also had problems.

On the other hand, in the production of pipes, this year's tasks will be exceeded by the steelworkers by 1,8000 km. There will also be an extra 220,000 tons of coke, thanks mainly to the workers of the chemical-recovery coke plant [kombinat koksochemiczny] in Zabrze and the coking plant in Zdzieszowice.

BUCHAREST REPORTS GORBACHEV, REAGAN ADDRESSES

AU022047 Bucharest Domestic Service in Romanian 2000 GMT 2 Jan 86

[Text] Press agencies continued to report on New Year's messages by heads of state and governments of various countries. Here we mention several of these messages:

On New Year's eve, Mikhail Gorbachev, general secretary of the CPSU Central Committee, and U.S. President Ronald Reagan agreed to address televised messages to each other's nation. In his message, Mikhail Gorbachev says that the exchange of messages itself is a good omen for the new year, which has been proclaimed as the International Year of Peace, TASS reports This exchange to be a clear symbol of the mutual desire to meet each other halfway and continue the dialogue started in Geneva.

The peoples of the two countries, Mikhail Gorbachev said, wish that the constructive Soviet-U.S. dialogue will not be interrupted and will lead to concrete results. Pointing out that the two nations' desire for peace is traditional and boasts historical experience in cooperation, the CPSU Central Committee general secretary said: A reality of our times is the fact that it is pointless to try to consolidate one's own security through new types of armaments. Currently, each [word indistinct] step in the arms race increases the danger and risk for both sides and all of mankind. Life clearly and constantly proves that we must embark upon the road of reducing nuclear aresenals and preserving a peaceful outer space. This is the subject of our Geneva negotiations and we want these negtiations to be successfully concluded in the coming year. It is our duty to work for peace and the prospect that mankind will enter without fear in the third millenium.

At the end of his message, Mikhail Gorbachev stressed the need to restore trust among states and peoples and eliminate the minus registered as far as trust in Soviet-U.S. relations is concerned. In this respect, he said, the Soviet Union will spare no efforts.

In the message addressed by U.S. President Ronald Reagan to the Soviet people, relayed by Associated Press, the U.S. President recalls that the U.S.-Soviet summit in Geneva aimed at opening a new chapter in relations between the United States and the Soviet Union and reducing mutual suspicion and distrust. One of the most important points on which we agreed, the President said, was the need to mutually reduce our huge nuclear arsenals. As we often stated, a nuclear war cannot be won, hence it should not be started. Therefore, we agreed to speed up negotiations on points where a common basis exists, with a view to gradually reduce and eliminate methods of nuclear destruction. Our negotiators will meet again shortly in Geneva and will continue talks on nuclear and space armament.

It is my hope, the U.S. President said, that we will shortly succeed in eliminating nuclear weapons and thus free ourselves from the threat of nuclear destruction. A sure and lasting peace, he said further, also requires peaceful solutions for various and armed conflicts that cause so much suffering in many parts of the world.

In conclusion, the U.S. chief executive expressed the hope that progress will be made in 1986 along the road of peace and cooperation and that the bases created at the U.S.-Soviet summit in Geneva will expand. Let us cooperate so as to ensure that this year becomes a year of peace, he said.

CEAUSESCU DINNER TOAST TO BCP'S ZHIVKOV

AU272238 Bucharest SCINTEIA in Romanian 21 Dec 85 pp 1, 3

[Toast proposed by RCP Secretary General and President of Romania Nicolae Ceausescu at a dinner given in honor of Todor Zhivkov, BCP general secretary and president of the State Council of the People's Republic of Bulgaria, in Bucharest on 20 December]

[Text] Esteemed Comrade Zhivkov, esteemed guests and friends: I take great pleasure in extending again to you and to the other Bulgarian comrades a warm welcome, comradely greetings, and best wishes on behalf of the RCP leadership and on my own behalf.

Your visit is another event in the custom of traditional meetings established between us, meetings which have always led to the further development of cooperation between our parties and people.

We highly value the Romanian-Bulgarian economic, technological, and scientific cooperation and the ever stronger development of the relations between our parties and people. One can state that, in the spirit of centuries-old, traditional relations and friendship existing between our people, cooperation in the years of socialism has elevated these traditions to a higher level. We have great responsibility toward our peoples to preserve and further develop these traditions of friendship and cooperation. These traditions have proved their stability even under the most difficult circumstances.

During the talks we have begun today, we decided to start, in the shortest time possible, the construction of the hydropower project on the Danube and to strongly develop, during the next 5-year plan period, economic exchanges and production sharing. At the same time, we agreed to strengthen cooperation in all fields of activity between our countries in accordance with the long-term agreement regarding economic, technological, and scientific cooperation.

Proceeding from all these facts, I believe that our present meeting will make a decisive contribution to developing many-sided relations between our parties and people.

As regards Romania's present concerns, we are concluding the current 5-year plan period and are working to thoroughly prepare the way to fulfill the Eighth 5-Year Plan. We are focusing our activities on intensive development, on achieving superior quality, and on achieving a complex program of technical progress in all areas.

We believe that within this framework, cooperation possibilities between our countries increase considerably, as do the possibilities for an active participation in implementing the programs adopted within CEMA regarding economic, technological, and scientific cooperation and the advance of our countries on the road of socialism and communism.

You are preparing your party congress. Like us, you are concluding a 5-year plan period and you are starting another one. We are aware of the important achievements attained by the Bulgarian people, under party leadership, in fulfilling the tasks of socialist construction. We would like to extend our warmest greeting to the Bulgarian people and wish them success in the preparation of and participation in the successful development of the party congress proceedings!

In order to fulfill our plans and development programs we need peace. Therefore, we believe that the basic issue is to do everything possible in order to halt the arms race, to achieve disarmament, primarily nuclear disarmament, and to ensure peace.

During the meetings we held in Sofia and in Prague we extensively discussed these problems. We positively valued the Geneva meeting between Comrade Mikhail Gorbachev, general secretary of the CPSU Central Committee, and the President of the United States, Ronald Reagan. Now the question arises: What must be done after this meeting? As a matter of fact this question emerged from the fact that the fundamental problems have not been solved. The arms race continues; the deployment of medium-range missiles in Europe continues; and recently, some Western European countries decided to join the "star wars" program. All this means that the action of militarizing outer space, with all its extremely dangerous consequences, continues.

We believe that, under these circumstances,everything possible should be done to reach appropriate understandings and agreements between the Soviet Union and the United States on halting the manufacturing and deployment of new nuclear weapons, on halting nuclear tests, and on taking real steps toward disarmament.

Within this framework, we believe that political and diplomatic activities must be intensified and all forces and people which favor peace must unite in order to ensure the passage to nuclear disarmament and the achievement of peace.

Life -- including the actions of setting up the Geneva summit meeting between the Soviet and the U.S. leaders -- has demonstrated that public opinion can determine the achievement of some agreements aimed at halting the arms race.

We have agreed to increase our actions to turn the Balkans into a region free of nuclear weapons and to develop friendship and cooperation there. We also support the creation of such zones in northern and central Europe and on other continents.

We believe that we should intensify our activities within the Stockholm Conference in order to successfully conclude the meeting devoted to disarmament and cooperation in Europe and, accordingly, within other conferences too, such as those in Vienna and Geneva, equally devoted to disarmament.

We believe that we should act more resolutely in order to halt conflicts and solve all problems solely through negotiations.

We firmly speak out for basing interstate relations on the principles of full equality of rights, respect for national independence and sovereignty, noninterference in domestic affairs, and nonrecourse to the use or threat of force.

We believe that it is necessary to pay greater attention to the problems of underdevelopment, to find overall solutions to these problems and to those regarding the excessively large foreign debts of developing countries, and to achieve a New International Economic Order.

Taking into consideration the complex character of these problems, we believe that all countries, regardless of their size or social system, should participate in solving these problems. At the same time, we believe that the role of the United Nations and of other international bodies in solving these problems should be increased.

Despite the fact that the current international situation is extremely serious, we firmly believe that the peoples and all the realistic forces throughout the world, by acting unitedly, have the necessary power to change the dangerous course of events, to achieve disarmament, and to endure peace.

Again I would like to express the party's, state leaderships and my own satisfaction with the good relations existing between our parties and peoples. At the same time, I express my belief that your present visit will also contribute to more markedly strengthening cooperation in all fields of activity, that we will increase contacts between our parties and people, and that our following meetings -- which will continue to be held in the traditional way as thus far -- will permanently aim at serving the interests of our peoples and the cause of socialism and peace.

With this belief, I would like to wish the friendly Bulgarian people ever greater successes in all fields of activity, in building socialism, and in continuously raising their well-being! I wish for the cooperation and friendship between our parties, countries, and people to develop continuously! I wish for strengthening cooperation and solidarity among socialist countries, communist and workers movements, all progressive and anti-imperialist forces in the people's struggle for peace and disarmament!

I would like to raise a toast to the health of the BCP secretary general and president of the State Council of the People's Republic of Bulgaria, my close friend, Comrade Todor Zhivkov!

To the health of all of you! (applause)

'COMMUNIQUE' ON USE OF AUTOMOBILES 1-2 JAN

AU311253 Bucharest SCINTEIA in Romanian 30 Dec 85 p 5

["State Council Communique in Connection With Use of Private Automobiles on 1 and 2 January 1986]

[Text] On 1 and 2 January 1986, private automobiles may be driven irrespective of whether they have even or uneven registration numbers.

CONDOLENCES ON HUNGARIAN DEFENSE MINISTER DEATH

AU201438 Bucharest SCINTEIA in Romanian 18 Dec 85 p 7

[Text] On the death of Army General Istvan Olah, member of the MSZMP Central Committee and defense minister of the Hungarian People's Republic, condolences were presented to the embassy of the Hungarian People's Republic in Bucharest on 17 December on behalf of the RCP Central Committee, the Ministry of National Defense and the Ministry of Foreign Affairs of the SR of Romania.

U.S. PAPER CRITICIZES SHULTZ ACTIONS IN BELGRADE

AU021542 Belgrade Domestic Service in Serbo-Craotian 1400 GMT 2 Jan 86

[Text] The prominent U.S. paper CHRISTIAN SCIENCE MONITOR has expressed disagreement with the reaction of U.S. Secretary of State George Shultz at the press conference given on the occasion of his recent visit to Yugoslavia. The paper assesses that George Shultz' gesture of anger at the conference when the question was asked about the hijacking of the Italian ship Achille Lauro and about Muhammad 'Abbas was undiplomatic and futile. The paper thinks that there are wide differences between Shultz' views and the views of the majority of Mediterranean countries' governments in connection with the ship's hijacking and the events that ensued. As concerns Muhammad 'Abbas, the paper points out that Yugoslavia did not act differently from the Italians and at the same time recalls the traditionally good relations between Yugoslavia and the United States.

GENERAL URGES SUPPRESSION OF 'ALIEN IDEOLOGIES'

LD251118 Belgrade TANJUG Domestic Service in Serbo-Croatian 0925 GMT 25 Dec 85

[Text] Osijek, 25 Dec (TANJUG) -- Within the scope of his 2-day stay in Osijek, Colonel General Milan Daljevic, a member of the SAWPY Federal Conference Presidium and under secretary in the Federal Secretariat for National Defense, spoke last night to the leaders of the sociopolitical organizations in Osijek and to the officers of the JNA [Yugoslav People's Army] garrison about the current military and political situation in the world, the development of all-people's defense and social self-protection, and about the sociopolitical activity in the country within the context of the preparations for the 13th LCY Congress.

From the point of view of our country's defense and security, Daljevic said, consistent implementation of the long-term program of economic stabilization and a more rapid solution of all social conflicts and problems on the basis of further consolidation of self-management and of the role of associated labor is of exceptional importance. We must not allow the long-term program to become of merely relative importance, or questions on which clear stands already exist to be brought up again, and what has to be done to be put off indefinitely. We must resolutely crush the stubborn resistance of the forces which want to keep their privileged position in the use of the social income and which do not see anything except their own partial interests, Daljevic said.

Having pointed out the need to move at long last into an uncompromising settling of scores with the protagonists of nationalism and other supporters of disintegration in our society, Daljevic stressed that the internal cohesion and unity of Yugoslavia must be preserved and strengthened. Yugoslavia is not at all a contractual community which can be reduced simply to an agreement between the republics and provinces. It is not a sort of a loose confederation in which every federal unit can pull its own way, concern itself with its own interests, and neglect its responsibility for the development of the country as a whole as laid down by the constitution.

Of course, Yugoslavia is not and cannot be a unitarian or supranational body. Yugoslavia is a federal state and a unified socialist self-management community, born in the fire of the national liberation war and of the revolution and based on the blood of all our nations and nationalities. We are building it on the principles of self-management, equality, brotherhood, and unity on a federal basis and as an expression of united and authentic workers class interests.

It is a common fatherland of us all whose foundations were laid as far back as the second AVNOJ [Antifascist Council of the National Liberation of Yugoslavia] session. Without reference to Yugoslavia and outside its borders, not one of our nations can count on a better tomorrow, stressed Daljevic.

There can be no flirting or compromises with the protagonists or ideologies alien to us. We are for constant expansion of democracy -- self-management is its most perfect form -- but we are against any form of democracy for our enemies. We are for expanding freedom of creative endeavor, but not for a free presentation of alien, unacceptable, and counterrevolutionary theses of the kind that are being launced by Djuretic and by others of his ilk. We must clearly tell all those who under the garb of spurious ideas of freedom come down on the achievements of the national liberation war and of the revolution who they are and what positions they represent, Daljevic stressed.

Speaking of the public discussion of the critical analysis of the functioning of the political system, Daljevic stressed that this was an opportunity for all of us to make a contribution to devising solutions which will make it possible for socialist self-management to develop faster and for all factors and institutions of our system to operate much more efficiently. It is clear to everyone that the strategic orientations in the development of our political system cannot be changed, but it is a fact that practice imposes the need for more specific changes and for improvement of individual elements of this system.

PRESS EXAGGERATED SLOVENIAN NATIONALIST INCIDENTS

AU101503 Belgrade POLITIKA in Serbo-Croatian 19 Nov 85 p 6

[S. Zikic report]

[Excerpts] Ljubljana, 18 Nov -- According to Maribor VECER, which in its Saturday, 16 November edition published the statements of the most responsible people in Nova Gorica and Sezana, the fighting in Idrija and Bovec and the slogans written by junior school pupils from Sezana do not have any connection with nationalism. The majority of the people who gave a statement to VECER are of the opinion that these Idrijan incidents are blown up by the press and that everything involved fighting between some individuals, drunken people, which does not deserve such public attention.

Press Coverage Causes Bitterness

Anton Zgur, an inspector from Nova Gorica's Secretariat for Internal Affairs, however contradicts the statement made by Tomaz Ertl, secretary of the republic's Secretariat for Internal Affairs. At a recent session of the Slovene LC Central Committee Presidium which touched upon nationalistic incidents, Tomaz Ertl said that the fighting in a Bovec bar and the slogans in the "Srecko Kosovel" junior school in Sezana did contain elements of a nationalistic nature. Anton Zgur on the other hand states: Nova Gorica is bitter about the writing of one part of the Yugoslav press. These young trouble makers were dispersed by workers from the Idrija militia station without requiring any reinforcement. I do not understand how a fight like the one that took place in a Bovec bar last Saturday can be described as nationalistic, when everything that happened was a very banal case of drunkenness and underage hotheads.

Dusan Savov, secretary of the Sezana commune LC committee, said: "What happened last week in the 'Srecko Kosovel' junior school is in no way connected with Idrija or with nationalism."

He then described why the pupils of the 8th grade of the junior school decided on this action of writing slogans. They were discussing the events in Idrija and Mladina's writings and could not get into their heads why the Bosnians beat up on the Slovenes. This is what the media reported. When the next day during the art class they wrote slogans regarding the extension of voluntary contributions in Sezana, they secretly added some slogans of their "own' which they later hung all over Sezana.

Dusan Suvov then added: "We now know that this was the idea of four pupils, that there was not any outside initiative, but that everything was born in their immature heads."

Children Writing Slogans

This analysis of happenings was immediately taken up by security organs, teachers, and representatives from socio-political organizations. The committee for all-people's defense and social self-protection also expressed its opinion (we have already written about this). Teachers and the secretary of the commune's LC committee are of the opinion, however, that this incident should not be seen through "nationalistic glasses", and that these slogans were also written by children whose parents come from other republics. Detailed talks will be held with the parents whose children wrote those slogans because these kind of occurences are causing serious concern.

The statement made by Secretary Savov is interesting, especially when we know that the pupils wrote the following slogans: "Let us cleanse Slovenia of Bosnians," then, "We want to live alone," "Slovenia my homeland," "Down with other republics," "Slovenes only," and in the same child's handwriting on a garbage container there was written "You should be in here, Bosnians."

According to Savov, for a long time the Sezana school has been twinned with another school in Kragujevac; therefore, it is difficult to accuse it of hatred toward their "southern brothers."

Hamdija Pozderac, member of the SFRY Central Committee Presidium, held talks with journalists in Maribor last Saturday. Answering their questions regarding the happenings in Idrija, he said:

"All those incidents in Slovenia (like the one in Idrija for example) which had a nationalistic tone are, I am deeply convinced, blown up by some journalists. They must have been welcome," he added, "so that journalists could direct their fire at something else, so that they could divert attention from Kosovo to Slovenia."

RESULTS OF CROATIAN LC CENTRAL COMMITTEE SESSION

LD182210 Belgrade TANJUG Domestic Service in Serbo-Croatian 1416 GMT 18 Dec 85

[Text] Zagreb, 18 Dec (TANJUG) -- By expressing its support for the critical analysis of the functioning of the political system of socialist self-management, the Croatian LC Central Committee has obliged all members, organizations and organs of the LC in the republic to become proponents of activities in a public debate on the critical analysis.

In the conclusions of the Monday [16 December] session at which the critical analysis was discussed, which were published today, it is said that that the forthcoming public debate should be used to strengthen the activity on implementing the LC's constitutional and statutory tasks, and also for a specific differentiation with all those who contest and attack the fundamental principles and continuity of the LC's policy.

The Central Committee particularly stresses the obligation and responsibility for development and protection of basic production relations established by the constitution and the law on associated labor with the aim to more resolutely create conditions in which workers will make decisions on the assets and results of their work and the entire social production.

In developing the system of associated labor, the LC must insist on such a basic organization of associated labor which in social distribution of work would be directed toward self-managing integration and developing better socioeconomic relations in work organizationand composite organization of associated labor. Then, it must associate with other business systems in which the development of rational production and business activity for a more successful joining in international work distribution are ensured.

In the conclusions, the Central Committee stressed the need for consolidating the positions of delegations, delegate conferences, and workers' councils; these must have a stronger impact on the delegate system.

The Central Committee has pointed out the significance of the development of the communal system and has demanded from the Croatian Assembly, Executive Council, Chamber of Economy, the assembly of the republican communities of interest, and communists in these organs to analyze in detail the functioning of the system's institutions, establish and work out specific programs of changes, measures and actions that would ensure a greater rationality and effectiveness and strengthen the responsibility in implementing constitutional and legal functions.

The Central Committee believes that in the further development of the system, the LC must ensure a greater influence of associated labor on changes in the system of social planning, credit-monetary and banking system, and the system of prices and tax policy, as well as on developing relations in earning, distributing, and dividing income and personal incomes.

The Croatian LC Central Committee has obliged all members and organs to act on implementing the stands and conclusions of the 21st LCY Central Committee session on realizing the constitutional concept of the Yugoslav federation. In this it is necessary, the conclusions say, to conduct a decisive action for a full affirmation of common interest in the federation through delegations in the Chamber of the Republics and Provinces and their links with the Croatian Assembly, and delegates in the Federal Chamber and their links with the Croatian SAWP Republican Conference and other social subjects, and for strengthening the responsibility of the republic for its own development and realization of constitutionally established common interests in the federation.

The Central Committee stressed in conclusion that communists, through their activity, must make a full contribution to efforts toward further democratization of the cadre policy, stronger affirmation and consistent application of its class and self-managing principles and criteria.

ZEMLJARIC ECONOMIC REPORT TO CENTRAL COMMITTEE

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[Text] This session of the LCY Central Committee rounds up a series of thematic discussions on ideopolitical questions and tasks of the LC and other subjective factors in implementing the long-term economic stabilization program and opening up prospects for a more dynamic and coordinated economic and social development of the country. Discussions and harmonizations of views on significant economic and systematic laws, the new social plan of Yugoslavia, the 1986 resolution and measures for the financial consolidation of the organizations of associated labor, banks, and other users of social funds, are at the peak of their intensity. With winding up all these activities and measures, except in the monetary sphere, we shall complete all economic and systemic changes from the first stage of the stabilization program and prepare the bases for a necessary essential turnabout in the practice of all subjects involved in the economic activity in the next period, Janez Zemljaric, vice president of the Federal Executive Council, said in his introductory report at today's session of the LCY Central Committee.

Changes in the economic system and preparations of the development and economic policy are being carried out in very complex conditions. This has also been pointed out in very complex conditions. This has also been pointed out in the document of the SFRY Presidency on the socioeconomic situation and main tasks and in the report by the Federal Executive Council on implementing the first stage of the long-term program.

This year certain results have been achieved in improving the total balance of our economic relations with foreign countries, in the growth of production to a certain degree, beginnings of restructuring and more economic behavior of one section of the economy and in coordinating all aspects of expenditure with realistic possibilities. According to the data for 9 months, the decline in the real value of personal incomes has been halted and employment has risen. However, the key tasks of the economic policy for this year are not being implemented in the same volume as planned, and the economic situation is more difficult than at the beginning of the year. It is fraught with stagnant trends and an intensification of social problems.

The main cause of the present economic difficulties lies primarily in the fact that the long-term program is being implemented in parts, slowly, without coordination, and with many vacillations and deviations. The economy is adjusting itself too slowly to the need for a speedier growth of exports. The economy's accumulative incapability for development is increasing; it is becoming increasingly burdened by deficits and outstanding claims. The inflationary way of economic activity is being prolonged, while pressures for redistribution of assets become stronger. The causes of economic instability are firmly preserving themselves and the market is losing its influence, while the activity and influence of state-property and regulatory and techno-bureaucratic tendencies are continuing. These tendencies are particularly manifested in the high growth and destructive activity of inflation, a decline of motivation for work and rational economic activity, and a decline in overall work productivity and increase of internal financial irregularities.

These unfavorable trends have considerably aggravated the present preparations and adoptions of economic-systemic changes, the plan and the resolution. At the same time, instead of leading a uniform action for a consistent and comprehensive realization of the long-term economic stabilization program in the country, we are still conducting discussions on the program's orientations and solutions.

Instead of a greater participation in the international market and distribution of work, and speedier affirmation of the market way of economic activity in which associated labor constituted on the principles of self-management would be the main proponent and guarantee of all changes in realizing the stabilization program, bureaucratic statist forces and other opponents of socialist self-management are making use of our difficulties and are creating and offering various statist and neo-liberal versions of development and economic policy as salutory solutions for emerging from the crisis.

New systemic solutions and joint development and economic policy could be based and conducted only on the basic orientations of the long-term program. This was also the starting point in the plan's preparations. Every deviation from these orientations would have unforeseeable consequences for socialist self-managing social and economic relations, development of production forces and social relations, as well as the future as a whole.

So we must oppose with greater determination all attempts that undermine the fundamental orientations of the LCY program and the constitution and our stabilization and economic orientation from bureaucratic-statist, voluntarist and liberalist positions. The essence of this orientation is based on the laws of self-managing production of goods and socialist self-management, which are the only ways leading to solving the present economic and social problems and to further progress. In this direction, rather than in deviations, we need further ideopolitical cleaning up in order to develop and primarily to realize economic and systemic solutions, the plan and resolution, and other documents on a uniform ideological orientation.

The developing and formulation of consistent and effective economic conditions, development and economic policy are also hindered by the fact that in society and in the LC, and even in one section of the leadership, the knowledge and full awareness of the seriousness, depth and gravity of our economic disturbances and problems have not struck home. This can be seen from a rather frequent lack of coordination in assessments of socioeconomic and ideopolitical dimensions of the critical state of affairs, on possible directions and measures for its elimination, and particularly with respect to implementing agreed ideopolitical stances, that is, actions and measures. Because of the support for directions and activities for a speedier self-managing associating and linking of associated labor on the united Yugoslav economic area; because of joint economic labor on the united Yugoslav economic area; because of joint economic activity, solving problems of reproduction, technological development, joining the international distribution of work, and so forth, as well as the activity of disintegrative pressures, all sorts of particularistic and autarchic interests and spontaneous tendencies, is not decreasing. These conditions are becoming increasingly difficult for the affirmation of all that is necessary and useful for everyone's interest and for the country as a whole. They could be the real material basis of destatization of economic relations, development and economic policy. This extremely harmful behavior is intensifying objective contradictions and increases even more the pressure and demands by those structures and individuals that are not ready to accept the real state of affairs and the country's realistic possibilities.

For example, we still have a rather high expenditure [words indistinct] and the way out is not being sought in efforts toward a greater utilization of capacities, in increasing the economic level of economic activity with social assets, increasing individual and social productivity, decreasing of the rate of inflation and so forth. On the contrary, we are still widely tolerating the process whereby all irrationalities are sorted out through price increases, decrease of production, speculations with reserves and so forth.

While inflation is discussed a great deal and demands are submitted for halting prices through administrative measures or for a complete liberalization, there is very little readiness to confront the real sources of inflation, even up to eliminating those organizations which are not in a position to use assets in an economically rational way. Society is faced with ever new financial and material demands; new rights are being extorted, though it is clear that such behavior exceeds the country's present financial possibilities and must be adding fuel to the fire of inflation. Elsewhere, economically justifiable elimination of price disparities is sought to the extent and in a way that threatens to turn such elimination into a significant generator of inflation. The demand for lifting the burden from the economy goes together with shutting one's eyes to the further deprivation of the economy of its income, when it is required by various partial or special interests. We still suffer from disinvestments in the economy, and there are no agreements and reactions when meager assets are squandered because of local interests and turned into uneconomic and irrational investments, and so forth.

The LC must confront most seriously all such behavior, since this is one of the prerequisites for a more successful implementation of the stabilization and development policy. Without such settling of accounts, which is and could be initiated only by the LC among its own ranks as well as in society in wider terms, improvements are not possible.

Saying this, I also have in mind the need for exposing destructive criticism, which is increasing among the public. No one questions the place and significance of criticism in self-managing society, but the subjective factor must be strong enough to oppose the sort of criticism that negates everything, distorts every effort, and breeds a lack of faith.

The adoption of systematic and plan documents is even more complex because it is happening simultaneously, and particularly because the necessary activities in organizations of associated labor and other subjects of social planning for preparations and adoption of their own and joint programs and plans for developing production and exports have not been developed. Because of this, a satisfactory self-managing foundation, coordination and quality of the plans of organizations of associated labor and their associations and sociopolitical communities with the plan of the federation have not yet been achieved. This could also have a negative impact on the mobilization and responsibility of associated labor in implementing adopted plans.

So, it is of the utmost importance to strengthen immediately the appropriate activities in organizations of associated labor and all subjects of planning, so that we could achieve the necessary social quality of plans and programs of work and development. On this basis, and in a uniform and comprehensive approach in self-managing planning and realizing the stabilization policy, we could effect a change in the growth of economic activity on the basis of quality.

Because of this it is also necessary that all plan documents at the federation level are adopted by the end of the year. With this objective in view, we must aspire to other levels of social organization and organizations of associated labor.

In such difficult conditions, it was a very serious and responsible task to establish the true and realistically feasible sources of common interests and aims, criteria and directions of development and economic policy for the next period.

Starting from the long-term economic stabilization program, the following common interests and aims of the socioeconomic development of Yugoslavia for the next medium-term period are envisaged:

-- A speedier development of socialist self-managing socioeconomic relations, primarily through a fuller control of workers in associated labor over the development of modern production forces and work results, on the basis of the constitution and the law on associated labor;

-- A considerable improvement of effectiveness, growth, and technological progress of the Yugoslav economy with an urgent curbing of inflationary economic activity and behavior and a strengthening of the role of the factors of quality as the basis for emerging from the economic crisis; an essential decrease in the rate of inflation, for accelerating economic development and the growth of living standard of working people and citizens;

-- A strengthening of the position of the entire Yugoslav economy in international economic relations, primarily through its structural adaptation, greater mutual linking and creating possibilities for increasing the exports of goods and services, a more effective and balanced joining in the international division of labor;

-- A more successful productive employment, particularly of young educated cadres, especially through a speedier activation and development of the potentials of agriculture, tourism, house construction and other service activities;

-- The realization of a more harmonized regional development and a speedier development of economically insufficiently developed republics, particularly the Socialist Autonomous Province of Kosovo, in order to reduce differences in the degree of their development with respect to the country's average, together with using their own forces, pooling labor and resources and stimulating development.

As joint interests and objectives of development, we have also established the promotion and protection of living and working environments and further modernization, strengthening, and socialization of the system of all-people's defense and social self-protection. Taking into consideration these joint interests and objectives of the country's economic and social development, on which full unanimity has been achieved -- and this was their expression and not some kind of voluntarist, imposed orientation -- a draft of the plan establishes the directions and criteria of production orientation, structural changes, and investments. Their main emphasis is on increasing production and services for exports; accelerating technological progress and strengthening the role of science; on rational production and use of energy and certain energy raw material; on developing primary agricultural production; on the modernization and development of railroads and other aspects of transportation and infrastructure.

These aspiring tasks and directions are being particularly developed in strategies of economic relations with foreign countries, in technological development, and in others which accompany this plan. These common tasks and objectives of the country's development production orientation and structural changes must be as the economic and development criteria built in and concretized in all plans and programs of development of organizations of associated labor and sociopolitical communities.

Bearing in mind that the next medium-term period will carry the characteristic of rehabilitation and normalization, gradual economic recovery and elimination of structural discordances, the creation of conditions for the affirmation of work and creativity and a more successful economic activity, and starting from common objectives and interests and development strategies, [words indistinct] material frameworks and tasks of growth and development:

-- The social product of the entire economy should grow at the rate of 4 percent on average per year; the growth of industrial production would be approximately 4.6 percent and of agricultural production 5.4 percent.

This growth should be realized through an equal growth of employment and work productivity of approximately 1.75 million persons per year out of the total of 2.6 million who will be looking for employment in this period.

The exports of goods and services should increase at the realistic annual rate of approximately 6 percent, while the imports of goods and services should be increased by approximately 5 percent.

-- Foreign exchange influx from tourism in 1990 should reach the level of approximately $2.1 billion. The coverage of imported goods by exported goods would be approximately 90 percent in 1990 and together with services 107 percent. This would enable the creation of the surplus in the current balance of payment for the period of 1986 to 1990 of approximately $1.2 billion on average per year;

-- The total disposable assets of the social product for the final expenditure will be approximately 97 percent, since it is necessary to set aside at least 3 percent of the social product for obligations toward foreign countries in the net influx.

In discussions to date on a draft of the plan and the resolution, much emphasis has been placed on the question of sufficient material basis and appropriate measures for realizing envisaged objectives and tasks of development. Some were of the opinion that the rate of growth of the social product was too high, while others believed that it was too low and that it did not ensure the necessary economic growth and employment. Proposed material proportions and tasks of development, on which there is already a high degree of agreement, have resulted from given conditions and assessments of our development possibilities and reserves, and particularly from an urgent need to overcome crisis situations and realize conditions for a more dynamic, harmonized and stable economic growth and development. As the key sources of growth we have selected the qualitative factors of economic activity whose first positive results should be achieved as early as next year. Many people, however, judge that we can count on an even higher rate of growth of the social product and other aggregates of growth. Provided we make maximal efforts toward using all available internal reserves and strengthening qualitative factors of economic activity and provided our overall readiness, organization and determination to implement the stabilization policy were greater.

In the current phase of preparing and adopting the medium-term plan and economic policy for next year, some questions and trends of a pronounced ideopolitical nature which will have an important influence on the realization of joint interests and the aims of development merit particular attention. Here one has in mind the fact that the Central Committee adopted conclusions on several development questions such as employment and social issues, the realization of the constitutional concept of the federation, and other questions. The Presidium set out positions on the development of economically underdeveloped republics and the Socialist Autonomous Province of Kosovo on planning and other questions.

1. In the long-term economic stabilization and anti-inflation program, in the positions of the 17th LCY Central Committee session, and in the document from the SFRY Presidency, inflation was treated as an expression of deep and long-lasting disturbances in the functioning of our economy. These documents also point to its essence and sources, and the strategic orientations and direct tasks aimed at curbing it are defined meaningfully in them. At the same time there was a warning of the need to work out a specific program of measures to strengthen the position of associated labor in the distribution of income, to consolidate the economy financially, to eliminate disparities in prices, to consistently implement the stabilization program in the sphere of the agro-industrial complex, and so forth.

In parallel with the preparation of economic systemic solutions and the new medium-term plan and economic policy for 1986, significant efforts were also made to work out direct tasks in the fight against inflation and to carry out other tasks contained in the stabilization program. Thus with the totality of changes in many parts of the economic system, from the clearing system to the foreign economic and banking system, with measures aimed at eradicating the inflation method of economic activity and with an active development policy and economic policy and measures aimed at internal financial consolidation, the objective possibilities and conditions for inflation to be reduced to 10 percent by 1990 are being created.

The proposed operation measures aimed at curbing inflation and solving economic difficulties as one of the prime tasks and essential elements define an increase in production and exports and greater efficiency in economic activity. There are enormous possibilities and reserves in the human and material resources at our disposal, as well as in capacities which have been built and other numerous factors of production, for an increase in the volume and efficiency of production and exports. In order for this task to be carried out successfully, better evaluation and stimulation of productive labor and efficiency in economic activity are crucial. The LC and all other subjective forces must thus be more resolutely involved in supplementing and implementing the social agreement on the joint bases and criteria for distribution. The policy on personal incomes and their growth must be firmly linked with a real growth in production, labor productivity and exports. The adoption of positions proposed at the 18th LCY Central Committee session should contribute to this, so that in every basic and other organization of associated labor, as well as in their mutual relations, suitable activities motivating increased and better quality output are accelerated.

A further essential precondition for curbing inflation and equipping the economy for intensive economic activity on the basis of a real evaluation of the factors and results of production, efficient involvement in the international distribution of labor, and technological progress is an increase in the role of the economy in the distribution of income and its financial consolidation. Preparations to achieve -- on the basis of real results in the financial situation -- an increase in the role of associated labor in the distribution of income and for the strengthening of the economy's accumulative and reproduction capability are in their final stage of preparation.

According to the orientations of the long-term economic stabilization program, the policy of real amortization, of a realistic rate for the dinar, a realistic interest rate and other real economic categories will continue. As was set out in the draft resolution, preparations are being carried out for differential adaptation of the policy on interest rates.

In the context of the financial consolidation program, changes in the clearing, money credit and banking systems, as well as monetary and credit policy measures, also occupy a significant place.

This will establish a functioning of the financial system that will permit continued reduction of the deficit, outstanding claims and other fictitious values in the balance-sheets of subjects of economic activity. Trade in foreign currency will be permitted, accompanied by continued full support for foreign currency saving by citizens. Measures aimed at establishing the real value of resources, including writing off what is not usable, reexamining uncovered investments, and in particular curbing uneconomic and unproductive investments and uncovered investments, are also an important group of financial consolidation measures.

These measures will considerably increase the influence of economic market criteria on the quality of economic activity. This means an increase in economic supply and sharpening of the conditions for economic activity.

They will also strengthen financial discipline. In order for the economy to be able to bear this selection, other measures will also be taken to alleviate its position, including measures to unburden the economy of contractual and legal obligations, the conversion and reprogramming of credits, measures to calm mutual demands, the resolution of the problem of differences in rates, the promotion of turnover in payments and circulation of capital, and measures to aid organizations of associated labor which have promising development programs, as well as measures aimed at eliminating unprofitable production. This will further reduce pressures of costs on price increases.

In line with the orientations of the long-term economic stabilization program and the positions of the 17th LCY Central Committee session, preparations are being made to implement other tasks contained in these positions. Other suitable economic measures are also being prepared, including measures to eliminate disparities in prices and to implement effective social control of prices. Money credit policy measures will hinder speculative withholding of supplies. Instances of breaking up the unified Yugoslav market will be curbed. There will be intervention in the market from increased goods reserves and imports and, according to need, direct measures to control prices will be applied.

Preparations are also in progress for changes in the tax system and policy to ensure the implementation of tasks of the long-term program in this sphere. The standardization of decisions in the tax system and policy throughout the whole country, the resolute prevention of monopolistic behavior and income not gained from work, and a reduction in social differences, as well as a more essential improvement in the organization and efficiency of the tax services in the whole country are being prepared. For the LC the question of building up an effective tax system and policy is also a significant class issue, whose resolution brooks no delay.

In the sphere of public expenditure we must urgently complete the work of reexamining and revising to what extent the rights and legal obligations that are burdening associated labor, but which are neither necessary not justified at the present time, are warranted.

In view of this, public expenditure and welfare services' costs next year are expected to remain at the realistic level already achieved. However, even in such circumstances it was necessary, for strategic reasons, to propose a realistic increase in the federal budget. Given this, we must not overlook the fact that the federal budget is used to finance our entire community's common vital interests and must not therefore be treated as reflecting the federal organs' expenditure. The country's defense, the care of war veterans and the disabled, and the development of the underdeveloped areas are obligations devolving upon all the working people and all of our nations and nationalities. It is thus impossible to separate the budget from the country's public expenditure and welfare services costs. At the same time, this places before us the task of finding the necessary funds by correspondingly reducing all other aspects of general and collective expenditure to within the envisaged limits. The possibilities for this lie in a more rationalized organization of our activities and institutions, in reducing the number of nonproductive jobs, and in increased economization, tax and other reserves.

The implementation of the measures aimed at relieving the economy and achieving financial consolidation, as well as of other measures of the anti-inflation policy, will create conditions for a greater section of the economy to accept and comply with economic criteria in its activity and development. The majority of these decisions and measures will be adopted by the end of the current year and should be implemented at the beginning of next year and during the subsequent years covered by the medium-term plan.

The realization of this major task, to which we refer as financial consolidation, is of crucial importance for making our self-managing market economy capable of achieving high development, economic and social results. By implication, this will considerably enhance the economic responsibility that organizations of associated labor will have for their economic performance and results.

Thus, the responsibility for reducing inflation and the crux of the anti-inflationary battle itself are being transferred to organizations of associated labor. By relying on their own resources, by activating large internal reserves, reducing their expenses and enormous overheads, etc, organizations of associated labor will be able to realize higher income through their more efficient economic activity instead of through increasing prices and relying on the state.

Organizations of associated labor must deal decisively with all forms of idleness, sloppiness, inadequate organization of work and production, technological, business and other forms of indiscipline, etc. At the same time full support must be given to all those workers and people who help to achieve greater results by their productive work. In all environments, distinction must be made between work and idleness; malingerers must be prevented from retaining their jobs, and there should be more competition on the basis of ability.

The battle for reducing expenditures in the economy, for more favorable economic conditions in general and in each individual organization in particular, as well as the struggle for reducing inflation call for maximum efforts by all members of the LC, of the Socialist Alliance, trade union and youth organizations at all levels and in all localities. The present situation is such that without their efforts it would not be possible to reduce considerably the inflation rate and to create conditions for a stable social development.

2. One of the most crucial tasks and objectives of the systemic changes and of our development and current economic policy to be accomplished over the next planned period is to strengthen to the maximum the orientation to export and to increase foreign currency earnings from exports, capital projects, tourism, transportation and other services with special emphasis on the convertible currency area. The increase in exports of goods and services and a more efficient and balanced participation in the international division of labor are not only one of the major strategic objectives of the long-term economic stabilization program, but are also the only possible and realistic basis for faster economic, technical and technological progress, for increased efficiency in economic operations, for any growth in production and labor productivity, for reducing foreign debts and securing the country's foreign liquidity and, by implication, for the consolidation of Yugoslavia's political and economic position in international relations.

We must achieve a rate of increase in exports which will enable us to repay our debts regularly and secure more funds for further economic development and for increased imports of goods which will help us to readjust our structures faster and to eliminate technological backwardness.

Over the next years through economic-systemic solutions, through the consolidation of the market and its opening to the outside world, as well as by the measures of the development and economic policy, we shall be able to provide conditions necessary for organizations of associated labor to switch over more rapidly to export-bound production. To this end, particular efforts should be made to stimulate our economy's faster readjustment and improvement in its structural, technical, technological, and price competitiveness.

Its long-term income interest must be secured and made stable through the appropriate exchange rate policy, monetary-credit and foreign currency policy, tax and foreign trade policies, and through other stimulative measures. At the same time economic pressures aimed at achieving more rational exports and successful participation in the modern forms of international economic cooperation should be increased.

Many forecasts indicate that our strategy of an aggressive export orientation and our activities aimed at reducing our foreign debts within economically acceptable limits, that is to the planned 25 percent of all foreign currency earnings in 1990, would be carried out under exacerbated international economic, financial, and trade conditions. Forecasts further indicate that if, as envisaged, we even succeed in realizing more successful export orientation, given the size of our foreign debt and the urgent need for the structural and technological development and for reducing social problems, it would be economically unjustified and impossible to insist on the reduction in the absolute size of our debt by 1990. Decisions dealing with this problem should be adopted soon.

Expansion of exports should be achieved on the basis of a wide-scale integration and division of labor on the Yugoslav market and through increased export of products manufactured by the use of a higher degree of domestic labor, technical know-how and technology; products which when exported will earn at least as much as on the domestic market; technologically intensive products; high-quality products; finished goods and products which contain more home-produced raw material.

All subjective forces must extend considerably more ideopolitical and action support to the implementation of these orientations. At the same time, the economy must make increased efforts to operate on the basis of the world productivity criteria, efficiency and prices to achieve a swifter adoption and implementation of joint production-export programs and to penetrate new markets with its products and services. Workers in all organizations of associated labor should reexamine their production programs from the aspect of their income generation, competitiveness, and export orientation and demand changes and amendments in them if necessary. They must also establish the specific and common interest to be used as the basis for integration with other organizations of associated labor aimed at joint production; that is, for drawing up joint production and export programs. Any investment project, even those intended for the production of goods to replace imported ones, should be reexamined to establish if it could compete with the world market criteria; if, under pressure from these criteria, it could produce market-proven results, and whether it contributes to a more stable, qualitative and competitive increase in the export of goods and services. This should also serve as the main point of departure when preparing and drawing up the programs of recovery of those organizations of associated labor that, owing to exacerbated market conditions, continue to incur losses; the programs of modernizing the existing production capacities; and programs for investing in new capacities.

New credits obtained abroad will primarily be used for technological development, for restructuring the economy and modernizing and reconstructing its production capacities. Credits granted by international financial organizations will be used for joint development programs and for maintaining external liquidity.

Under the new systemic and planning solutions, only those economic subjects which will secure loan repayment funds by increasing their exports and foreign currency earnings, and also mutually integrated and linked organizations of associated labor whose debt repayment will be guaranteed by appropriate banks, will be allowed to borrow abroad. Foreign credits intended for projects of interest for the entire country will be obtained on the basis of the federal law which will regulate the program, terms, and manner of repayment.

Traditional development loans should be replaced, at a much faster rate, by joint investment programs with foreign partners with the acceptance of joint risk and responsibility for the business operations and incomes.

3. The strategy of Yugoslavia's further technological development occupies a particularly important place in the new medium-term plan. It determines the main focal points of that development and envisages the measure for stimulating those programs and projects whose implementation will speed up the technological progress.

Science, education, technology, and the objectives of the joint technological strategy should become an integral part of the plans on which organizations of associated labor base their activity and of the development policy of all the proponents of self-managing social production. This orientation must be continually supported by all sociopolitical communities. In a situation, too exacerbated to enable a consistent application of market criteria and economic pressures, and, in particular, given the labor productivity rate in the world, we must analyze, reexamine, and reappraise all the production programs, all technologies and forms of their transfer, and even all the aspects of organization in social reproduction. There must be no delay in doing this and in making fresh breakthroughs which could create more room for greater application of the results of the present-day technological progress (information technology, microelectronics, use of robots, genetics, biotechnology, etc). We have already gained certain positive experiences which indicate that in the present situation we can place before ourselves even more ambitious tasks which will help us to secure technological progress' positive impact on production, exports, incomes, and productive employment.

We must unite four forces and resources more in joint plans and programs for the development of production and exports and in scientific and technological projects. Thus material potential, creative resources and advances in scientific and technological work will be significantly reinforced.

By relying on the full development of our own resources and activating all the available creative potential, we must considerably strengthen our scientific and technical cooperation with other countries on the basis of our policy and strategy of technological development.

4. By means of measures of development, economic, and in particular monetary, credit and price policies, we should improve the economic position of agriculture and bring it into line with the position of the economy as a whole while paying more attention to the specific requirements of this production and maintaining reserves of foods. In this way and by increasing the efforts of agricultural organizations toward further reducing costs, we must improve the motivation and conditions for achieving a greater volume and more favorable structure of agricultural production which will satisfy the consumption needs of the country, and facilitate the required reserves and dynamic growth of exports of agricultural and food products. The realization of these tasks must be speeded up by the adoption of joint production and export programs by organizations of associated labor in agriculture and the agroindustry and by other interested subjects. The increased pooling of resources on the basis of these programs, and the pooling and integration of private farmers with the social production potential, will guarantee the additional investment funds necessary for the growth of production and food exports.

To achieve the envisaged increase in agricultural production, maximum use must be made of formerly cultivated land. All other available capacities, the greater and economically more viable application of biotechnical and other achievements of science and technology, and organized private agricultural production should be further promoted.

The improvement of the material position of agriculture and the creation of the necessary reserves of food must be supported by a policy of differential interest rates and other measures to financially consolidate and relieve the economy.

5. In the coming medium-term period energy is becoming an increasingly important factor in the overall growth of the economy and development. Thus in the plan energy is one of the basic directions of production orientation and structural changes of the economy aimed at achieving greater economic growth, increased exports and the broader involvement of our economy in the international division of labor. The focus of the energy policy must be aimed at the more rational consumption of energy overall and per production unit. In development, it must aim for increased coal production, the construction of hydroelectric power plants and high-powered thermoelectric power stations on economically suitable coalfields, increased exploitation of oil- and gasfields, the construction of new nuclear power plants, and exploitation of other as yet undeveloped energy sources in the country. The material basis for the construction of new energy capacities should be created primarily by the self-managing concentration of investment resources on the basis of joint plans and programs of energy producers and consumers, and in part by using foreign loans and by compulsory association.

Complete technological unity, rationalization, and the consolidated self-managing organization and integration of the country's electricity system must be guaranteed as soon as possible.

6. Development policy for communications should remove the extensive discrepancies which have become a serious factor limiting production and exports by means of the modernization and rationalization of the network and resources. Priority is given to modernization of the railroad and its central transit route, to the construction and reconstruction of major roads and to integral transportation capacities. The realization of joint interests and goals in transportation and communications, and strengthening their accumulative and reproduction capabilities, should be secured by gradual removal of disparities in the relative amounts of tariffs, by broader interest and income integration of the organizations of associated labor in communications with their consumers, and by other economic policy measures.

7. In conditions of very limited accumulation, a large number of unemployed, and with the need for increased production and services important for export and for the living standard of working people and all citizens, small-scale industry and personal labor using privately-owned resources must have a more significant place and greater possibilities for development and operation than previously. In this area, unexploited possibilities and reserves which can considerably increase our overall economic strength and improve our economic structure are important. It is well known that many countries, by supporting the development of small, efficient, flexible and more mobile economic organizations, have overcome many problems, even those related to development, and in particular problems of employment. For this reason, in keeping with the established directions of the LC, differences in the treatment of the small-scale industry and personal labor using privately-owned resources in the municipalities and other sociopolitical communities should be removed more rapidly. In our society, exploitation of the labor of others on the basis of the ownership of capital is unacceptable, but the productive channeling of privately-owned resources into production, service activities, housing construction and solving the employment problem cannot be identified with this.

The development of this important area to increase the overall volume of commodity production and services, housing construction, and to solve the unemployment problem and improve the standard of living, should be supported by the activities of and measures of organizations of associated labor, municipalities and other sociopolitical communities.

Incentives for the development of these activities should be created, in particular by renting production and business premises and equipment; through concessions for the importation of equipment, particularly for workers temporarily employed abroad; through credit facilities; the simplification of administrative procedures; an appropriate tax policy; training cadres and so forth. Hesitation is unacceptable when there is a need to accommodate the readiness and desire of citizens to invest their savings in opening cooperative, contractual, trade and other forms or organization of production and services and in resolving the housing problems of themselves and their families.

The primary aim of economic-systemic changes, new plans, financial consolidation measures and economic policy, as a whole, is, by determining the lines and conditions of development, to set in motion a stronger motivational force, to stimulate mass initiative and offer moral, social and material support to productive labor and creativity.

This will be the most effective basis on which to begin, in accordance with our social and political orientations, a new developmental and overall process of self-managing, social transformation in the direction of overcoming economic difficulties and finding a way out of the crisis, strengthening the role and responsibility of workers and associated labor. On this will depend to a large extent our success in turning inflation into noninflation, falling into rising, extensive into an intensive method of economic organization and development and a more united implementation of stabilization policy and further self-managing development. We have sufficient forces and possibilities for this. But we must have a united attitude toward the common goals, we must overcome defeatism and resistance to the implementation of the long-term program, and the passive wait-and-see attitude and resignation stemming from dissatisfaction with the existing situation.

We must strengthen awareness that the changes are essential, build the capability to bring about changes and improve organization for taking action and decisively support the exponents of productive labor, creative knowledge and bold developmental and business ventures. This will not be without its difficulties and further renunciations necessary to emerge from the crisis. Each of us must perform his share of the tasks and have his share of responsibility, starting with the Central Committee, all organs of the federation, republics and autonomous provinces, towns and municipalities and in every organization of associated labor and in every work environment. This is the essence of the message of the SFRY Presidency, presented at the joint session with the Federal Executive Council. Where there is not the appropriate readiness and capability to do this, cadre changes should be made. With this overall orientation we will certainly succeed. It will be supported by workers and there will be results!

I propose we adopt the stances prepared by the Presidium for this session, Janez Zemljaric, president of the Federal Executive Council, said in his introductory address at today's session of the LCY Central Committee.